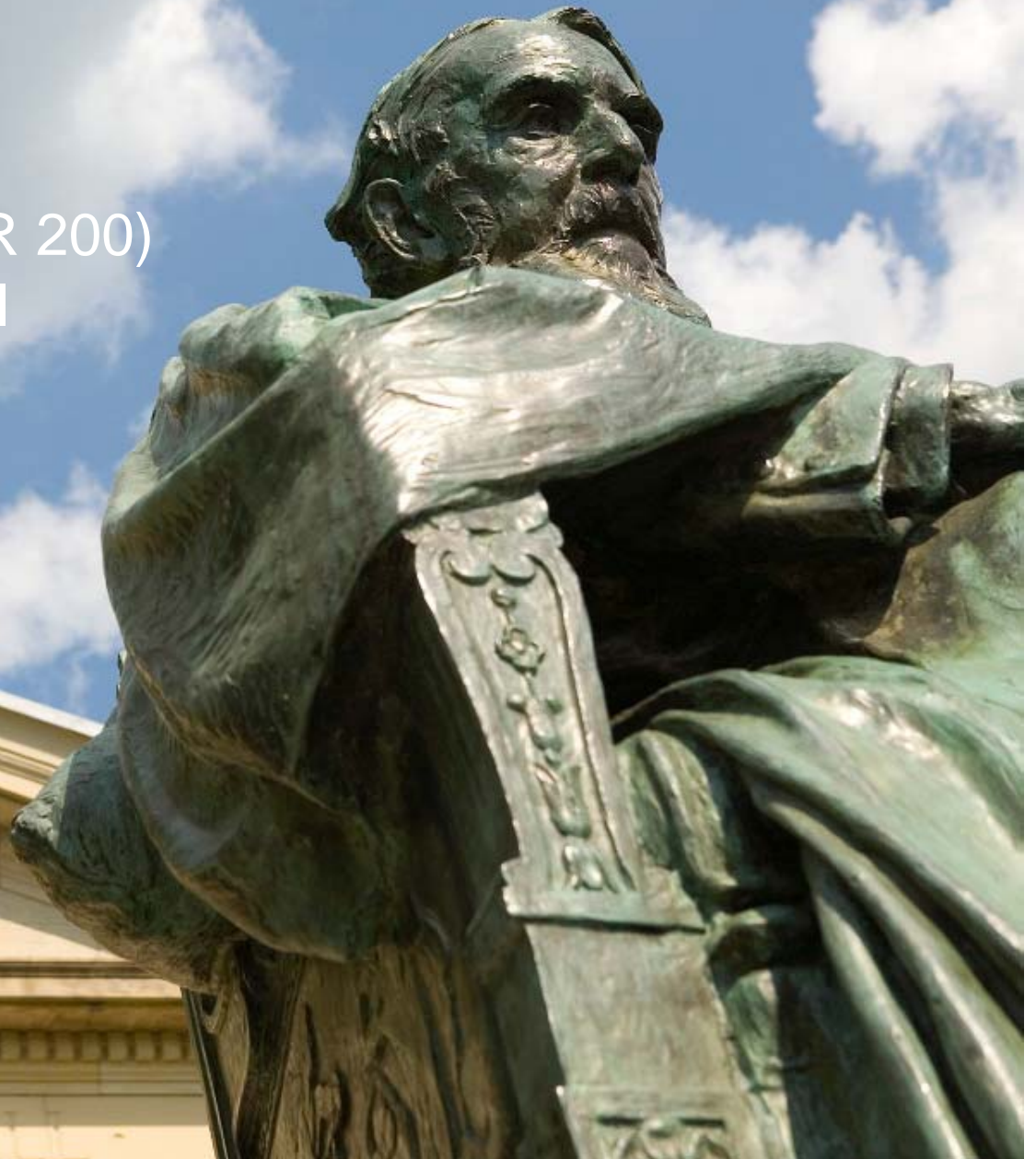


Uniform Guidance (2 CFR 200) Implementation at Cornell

Research Administration Forum
December 11, 2014





Or ...

Uniform Guidance

the **good**, the meh^{1, 2}, the **ugly**

¹ not impressive : so-so <a *meh* documentary>

² apathetic, indifferent <the movie left me feeling *meh*>



History

- In December 2013, after several years in development and two public comment periods, the Office of Management and Budget released 2 CFR 200, also known as the Uniform Guidance (UG). This set of rules combines eight separate OMB circulars, including A-21, A-87, A-110, A-121, and A-133, in to one “mega” circular.
- While some people have called this the biggest thing in the administration of federal awards in 50 years, Gil Tran of OMB describes it merely as “Same Same, but Different.”
- Today we will talk about why the sky really isn’t falling and how the effective date of December 26 will be just another day.



Important information

- When reading the Uniform Guidance consider:
 - Should = It would be a good idea to ...
 - Must = You have to
 - Cornell policy may be more, but not less, restrictive than UG.
 - UG sections are cited as .nnn, or 200.nnn
 - .431 is short for 2 CFR 200.431 which is the Fringe Benefits section
 - Subpart A is Acronyms and Definitions
- Information: <http://www.dfa.cornell.edu/uniformguidance>
- Uniform Guidance can be found at <http://goo.gl/TouP5M>



Uniform Guidance (2 CFR 200) Implementation at Cornell

What is new or different in the Uniform Guidance?





.110 Effective date

- Some parts are effective 12/26/2014
- Award specific parts are effective when incorporated in the award, which is usually the next funding action
- Audit principles are effective for our fiscal year beginning 7/1/2015
- Procurement changes are deferred until 7/1/2016
- Agencies are required to promulgate their regulations prior to 12/26/2014
 - Only NSF has issued implementing regulations at this time
 - [PAPPG, December 2014, document nsf15001, effective 12/26/2014](#)



.112 Conflict of Interest

- Requires agencies to establish conflict of interest policies for federal awards
- COFAR FAQ notes that this refers to conflicts related to expenditure of funds, e.g. selection of subrecipients or procurement contracts



.203 Notices of funding opportunities

- Agencies are normally supposed to give 30, preferably 60, days notice prior to deadline
- Agencies can approve deviations
- Benefits principal investigators by giving ample time to respond to solicitations and discourages non-competitive ones

Key Dates

Posted Date

December 3, 2014

Open Date (Earliest Submission Date)

January 9, 2015

Letter of Intent Due Date(s)

30 days prior to the application due date

Application Due Date(s)

February 9, 2015; November 9, 2015; and November 9, 2016, by 5:00 PM local time of applicant organization. All [types of non-AIDS applications](#) allowed for this funding opportunity announcement are due on these dates.

Applicants are encouraged to apply early to allow adequate time to make any corrections to errors found in the application during the submission process by the due date.



.204 Agency review of merit of proposals

- Requires agencies to design and execute a merit review process for applications
- Addresses inappropriate requests for cost sharing
- Benefits principal investigators by focusing on the quality of the proposed activity



.206 Standard application requirements

- Requires that agency forms comply with the Paperwork Reduction Act of 1995
- Continues the push towards standard pre- and post- award forms (such as SF 424 R&R, SF 425)

OMB Number: 4040-0001
Expiration Date: 6/30/2016

APPLICATION FOR FEDERAL ASSISTANCE SF 424 (R&R)		3. DATE RECEIVED BY STATE	State Application Identifier
1. TYPE OF SUBMISSION <input type="checkbox"/> Pre-application <input type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		4. a. Federal Identifier	
2. DATE SUBMITTED		b. Agency Routing Identifier	
Applicant Identifier		c. Previous Grants.gov Tracking ID	
5. APPLICANT INFORMATION		Organizational DUNS: [REDACTED]	
Legal Name: [REDACTED]			
Department: [REDACTED]		Division: [REDACTED]	
Street1: [REDACTED]			
Street2: [REDACTED]			
City: [REDACTED]		County / Parish: [REDACTED]	
State: [REDACTED]		Province: [REDACTED]	
Country: USA: UNITED STATES		ZIP / Postal Code: [REDACTED]	
Person to be contacted on matters involving this application			
Prof: [REDACTED]		First Name: [REDACTED] Middle Name: [REDACTED]	



.210 General Terms and Conditions

- The Research Terms and Conditions (RTC), which give us the rights to expanded authorities such as rebudgeting and no-cost extensions, are made obsolete by the UG
- Updated RTCs are under development



.301 Performance Measurement

- Reinforcement of Research Performance Progress Report
- Suggests that information regarding cost effectiveness of project may be required
 - We are told it will most likely not result in the requirement of collection of additional information
 - Awaiting agency implementation



.303 Internal Controls

- The phrase “internal control(s)” is used 74 times in the Final Guidance document issued by OMB. (30 times in the background material, 44 times in the regulation. The word “control(s)” alone is used an additional 42 times
- We are required to: *“Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award”*
- UG has a reduced focus on specific examples, and a greater focus on the overall controls



.306 Cost sharing or matching

- Under Federal research proposals, voluntary committed cost sharing is not expected
- It cannot be used as a factor during the merit review, unless:
 - in accordance with agency regulations
 - specified in the notice of funding opportunity
- OMB 2001 clarification re Voluntary Uncommitted Cost Sharing is still in effect
- May also benefit F&A rate proposals



.308 Revision of Program Plans

- Modifies language regarding absence of PI to read “disengagement” of PI. Requirement remains for pre-approval of a reduction of effort of 25% or more.
- Removes instances where prior approval is required to rebudget between direct and indirect cost categories



.313 Equipment

- Refers to university's title to equipment as "Conditional"
- OMB states that this is not a change as the government has always had the right to transfer title within 120 days of the end of the award
- Reiterates differentiation between general and special purpose equipment



.317 - .326 Procurement

- These are the single-most disruptive, and potentially burdensome, elements of the new guidance
- Regulations are prescriptive, and require documented competition at levels lower than today
- Implementation is delayed until our FY17
- Procurement Services will be working with campus stakeholders to develop the necessary procedures



.327 Financial Reporting

- Similar to the standard reports in .206 and .301, limits agency creation on additional financial reporting requirements

FEDERAL FINANCIAL REPORT			
(Follow form instructions)			
1. Federal Agency and Organizational Element in which Report is Submitted		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)	
3. Recipient Organization (Name and complete address including Zip code)			
4a. IS Number	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	6. Report Period (Month, Day, Year)
7. Grant Period (Month, Day, Year)		To: (Month, Day, Year)	9. Report Period (Month, Day, Year)
Transactions			
10. Cash Receipts (To report multiple grants, also use FFR Attachment)			
11. Cash Disbursements			



.330 Subrecipient and Subcontractor Determinations

- Firmly establishes that the prime recipient should make the case-by-case determination of classification.
- May result in additional documentation requirements supporting this determination



.331 Requirements for pass-thru entities

- Allows a 10% F&A rate for subrecipients lacking a federally negotiated rate
- Contains prescriptive monitoring requirements for subawards
 - We have not changed our process at this time, but this regulation reemphasizes the importance of documented PI review of invoices



.332 Fixed amount subawards

- Allows fixed amount subawards up to \$150,000
- Requires approval of fixed amount subawards over \$150,000
- We currently have very few fixed amount subawards



.335 Methods for collection, transmission and storage of information

- Allows for electronic record retention
- Does not address conflict between awards covered by the Uniform Guidance and those issued pursuant to the Federal Acquisition Regulations (FAR)



.343 Closeout

- Strengthens the 90 day close-out period allowed for awards
- Federal agencies are stating that activity beyond the 90 day period may be at their discretion
- COGR, FDP and others are working to see if new models are possible
- Sponsored Financial Services is launching a Lean Process in this area



.413 Direct Costs

- Standards for direct charging administrative costs have been modified
- Allocability and unlike circumstances are still stressed
- Proposals may now include administrative costs when the new standards are met
- Not intended to be a substitute for support currently-funded by the university or college



Direct charging administrative staff

- Costs need to be in a quantity and/or of a type that is above average. Examples:
 - 0.5 FTE research assistant to coordinate animal protocols
 - Conference coordinator full-time for 1 month surrounding an event
 - 1 FTE program admin to coordinate institutions participating in an award, to oversee financial transactions, and facilitate collaboration
 - 0.5 FTE admin assistant to send, receive, and tabulate surveys for a project
 - A study with 100s of human participants requiring recruitment, consent, and payment over 2 months might justify a program aide.
- Allocation of an admin across many awards or for a de minimis amount, is unlikely to meet the test above.



.414 Indirect (F&A) Costs

- Requires agencies to use the negotiated rate unless limited by law or otherwise approved
- Requires pass through entities to use the negotiated rate
- Codifies rules surrounding extensions of negotiated indirect cost rate agreements (NICRAs)



.415 Required Certifications

“By signing this report, 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).”

Would you and the PI, when processing (or causing to have processed) an award transaction, be willing to sign this?

If not, don't process the transaction.



. 430 Compensation – personal services

- Effort reporting is still here, at least for now
- Greater flexibility for an internal control-based process to provide “reasonable assurance” of the allowability of salary costs
- No changes for us, at least for the short run, but creates interesting possibilities for the future



.432 Conferences

- Confirms that costs associated with intra-campus meetings are not allowable
- Costs associated with identifying, but not providing, locally available dependent care resources are allowable when consistently treated across funding sources.



.453 Materials and supplies costs, including costs of computing devices

- Clarifies allowability across agencies
 - Rules are consistent with our practice
 - Good opportunity to remind campus
- “In the specific case of computing devices, charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award.”



Allowability of computers costing less than \$5000

- Computing devices (e.g. computers, printers, storage devices) are direct costs and may be charged to sponsored awards to the extent the devices are necessary, allocable, and allowable.
 - Necessary: The project's objectives cannot be completed without the computing device.
 - Allocable: All or a portion of the device's use is for the sponsored project and that the project's portion of the use can be reasonably estimated.
 - Allowable: The terms of the award and/or the sponsor's policies permit purchasing the device.



Allowability of computers costing less than \$5000

- The device's cost must be properly allocated to all benefitting activities, including any use of the device in instructional and administrative activities.
 - If a device will be used only in part for an award's activities, the award may only be charged for a portion of the device's cost.
 - It is critical that university-funded activities, such as instruction and administration, bear at least their fair share of the acquisition cost
 - *De minimis* use of the device for non-award activities is allowed. For example, someone checking their personal email or someone working primarily on the sponsored project using the device(s) for preparing a guest lecture for a class.



Allowability of computers costing less than \$5000

- Toner cartridges are still impractical to allocate, thus an indirect cost.
- Detailed guidance, from which the above is excerpted, to be issued soon.
- Computers costing \$5000 or more continue to be considered “general purpose” equipment and require sponsor prior approval



.456 Participant support costs

- “Direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects.”
- Formal training or conference programs
- Excluded from MTDC and not subject to F&A
- New object codes for participant stipend/subsistence (9096) and participant travel (9097)



.461 Publication and printing costs

- Allows the charging of planned publication costs (e.g. page charges) at award end, even when they will not be disbursed until after the award terminates





.474 Travel

- Allows temporary dependent care costs
- Must be treated consistently across all funding sources
- Addressed by faculty dependent care travel fund
- No current plans for enhancement



Other changes

- Single audit threshold increases to \$750,000
- This will exclude some of our subrecipients from the audit requirement and may increase our monitoring burden
- There are other changes to the single audit, but mainly affecting central offices
- There are other changes to the F&A proposal process, but mainly affecting central offices
 - We are currently in F&A base year



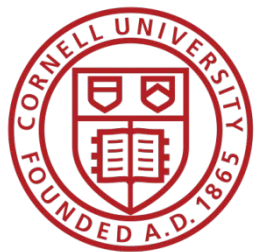
Next steps

- Monitor campus Uniform Guidance resources
 - Upcoming OSP roundtable
 - UG now incorporated into FIN 114, FIN 108, RACP
- National resources (COGR, FDP, etc.)
 - Linked from Cornell UG page
- Updates over the coming months will certainly occur, so stay in touch!



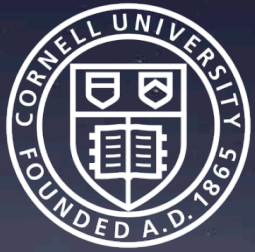
Thanks are due to ...

- Campus Uniform Guidance Working Group
- The senior management and executives working on Uniform Guidance issues
- Colleges at other institutions and national associations such as COGR, FDP, NCURA, AAU and others for whom this has been a multi-year activity
- *But for their participation who knows what this would have looked like.*



Questions?





Jeffrey Silber
Division of Financial Affairs

