



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

Research Advisory Board
“What PIs Need to Know”

January 2015



Uniform Guidance (UG)

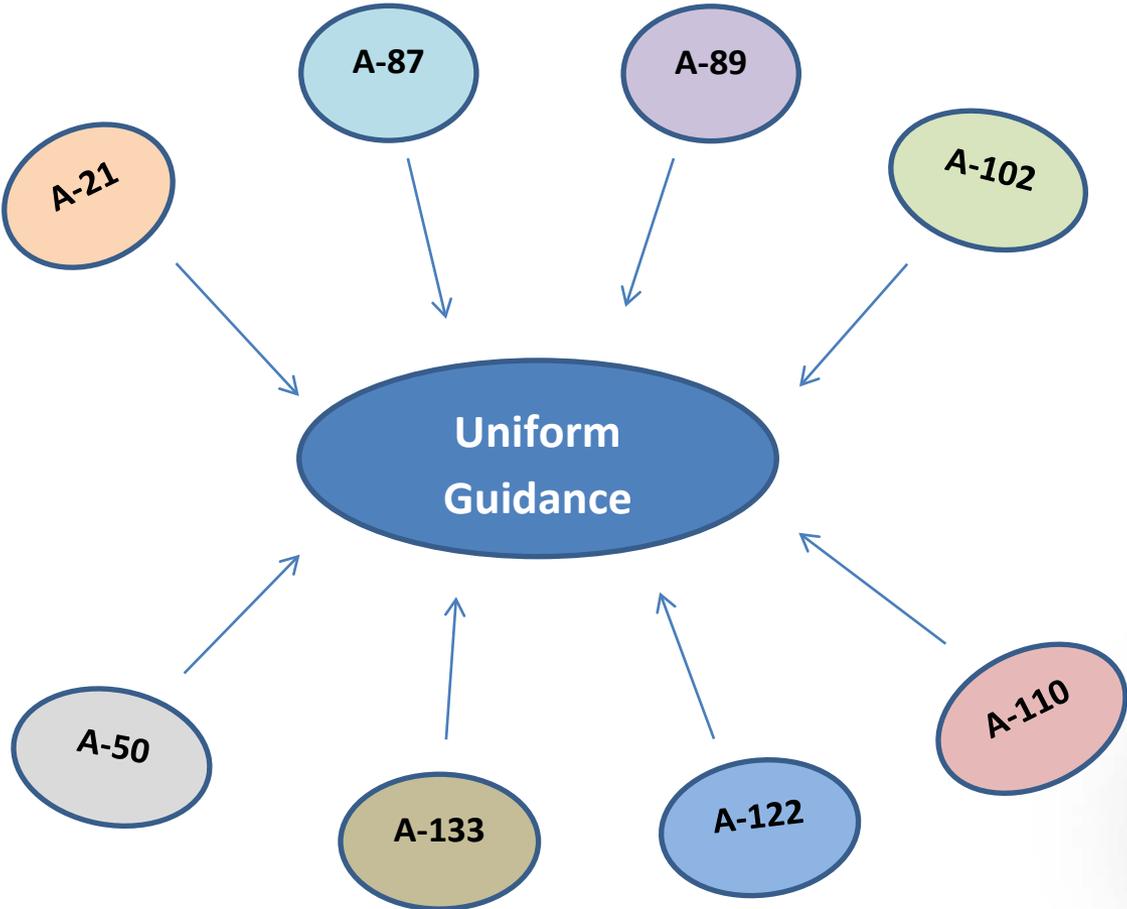
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When and why did this process begin?

- Uniform Guidance developed in response to November 23, 2009 EO 13520 on *Reducing Improper Payments* and the February 28, 2011 Presidential Memorandum on *Administrative Flexibility, Lower Costs, and Better Results for State, Local, and Tribal Governments*.
- In the documents, President directed OMB to work with Executive Branch agencies and other key stakeholders to evaluate potential reforms to Federal grants policies.
- The Council on Financial Assistance Reform (COFAR) was established in October 2011 and has led efforts to improve delivery, management, coordination, and accountability of Federal grants and cooperative agreements, which includes the development of the Uniform Guidance.
- The Final Rule was published in the Federal Register on December 26, 2013.

OMB Circulars Consolidated into UG



Uniform Guidance Overview

The Uniform Guidance (UG) is much more focused on internal controls over strict compliance with a set of rules.

- These changes have resulted in greater administrative flexibility for the grantee and also greater responsibility in maintaining internal controls.
- For example, while we have more flexibility to charge certain expenses as direct costs, we also have an increased responsibility to justify these expenses as direct costs.



Important Dates to Remember

<i>December 26, 2013</i>	<i>Effective Date of Uniform Guidance</i>
<i>June 26, 2014</i>	<i>Federal Agencies submit draft implementation regulations to OMB</i>
December 26, 2014	Effective date for Non Federal entities (UCSF) to comply with Uniform Administrative Requirements for NEW AWARDS <u>and</u> amendments to EXISTING AWARDS
July 1, 2015	Effective date for audit requirements under UG
July 1, 2016	Effective date for procurement standards under UG

Effective Date Guidance

During the transition to the UG, UCSF will manage awards under the old and new policies.

- The UG applies to all new and renewed awards issued on or after December 26, 2014.
- Individual agencies will apply the UG to continuation, renewal, and supplement awards issued on or after December 26, 2014 at their discretion.
- In the absence of clear guidance from the sponsor, UCSF will adhere to the policies of the original award.
- Each award will be managed under a single policy. If the UG applies to a supplement, it will apply to the entire award.

Uniform Guidance Highlights

- Allowable / Unallowable Costs
- Subawards
- Procurement



Allowable / Unallowable Costs

Computing devices (200.453)

- Allowable **direct cost** when the device is used to advance the aims of the project, but may be used for other purposes, as well.

Administrative personnel (200.413)

- Allowable **direct cost** when administrative services are *integral* to the project, the individual can be specifically identified with the project, and approved by the sponsor. Approval may be requested through the proposal or in writing after the award is made.

Allowable / Unallowable Costs

Encouraging “family friendly” policies however policies are pending implementation until UC and campus policies are consistent across all fund sources.

Conferences (200.432)

- Provides that for hosts of conferences, the costs of identifying (but not providing) locally available child-care resources are allowable (*when consistently treated*).

Travel Costs (200.474)

- Provides that temporary dependent care costs required to enable personnel to travel in support of the project’s aims are allowable (*when consistently treated*).

Allowable / Unallowable Costs

Additional flexibility to charge publication and printing costs to federal awards after the performance period has ended (200.461)

- UCSF is still designing procedures to address how to capture expenses incurred after the performance period and still comply with 90-day closeout requirement.



Allowable / Unallowable Costs

PI Disengagement (200.308)

- Under the existing guidance, sponsor approval is required if the PI is absent from the awardee institution for more than 3 months, or if PI's effort will be reduced by 25% or more.
- The new guidance replaces “absence” with “disengagement,” which means we do not need to seek prior approval for PI sabbaticals if we can document that the PI's work on the project is ongoing at no less than 75% of the level of effort committed.

Subawards

200.330 Subrecipient and Contractor Determinations

- New option for each Federal agency to require us to document how Subrecipients and Contractors (formerly “vendors”) are determined.
- Characteristics of Subrecipients and Contractors have not changed.
 - Subrecipients are collaborators who contribute to the design, implementation and reporting of research.
 - Contractors perform “work for hire” as part of their regular business model. Importantly, Subrecipients have publishing rights to their portion of the project, while Contractors do not.

Subawards

Subrecipient examples

- 1) UCSF works with The Kenya Medical Research Institute (KEMRI) to test the effectiveness of specific interventions in halting the spread of disease. KEMRI personnel contribute to the design and implementation of the study at their site, and also to the research reports and publications.
- 2) Study Sites are Subrecipients because they must exercise judgment to recruit participants who meet the criteria established by the specific aims of the parent project.

Contractor example

- 1) UCSF sends assays to Affymetrix for whole-genome tests. There is no judgment or analysis on the part of Affymetrix. The service provided is routine and not unique to the project.

As best practice, UCSF will document its determination of Subrecipients and Contractors, and it will apply these definitions consistently across all projects.

Subawards

Requirements for Pass-through Entities (200.331)

- The PI's signature on Subrecipient invoices indicates that the work performed fulfills the sub's obligation to the project.
- Subrecipients must be monitored to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward.
- UCSF is obligated to pass-through indirect costs to Subrecipients at their negotiated rate, or the rate provided by the award, whichever is lower. Subrecipients without a negotiated rates agreement may collect indirect costs at a de minimus rate of up to 10%. We will continue to use the 8% rate for foreign Subrecipients on NIH grants until the NIH releases its implementation guidelines to clarify this point.

Subawards

Allows for the use of fixed amount (fixed-price) subawards (200.332)

- Only with the prior approval of the Federal awarding agency.
 - Prior approval may be inferred if the intent is included in a proposal submission and awarded.
- Only up to the Simplified Acquisition Threshold (\$150,000).
 - The \$150,000 cap may be problematic for some projects.



Procurement

Procurement Standards (200.317-326)

- **New Procurement Standards will be effective July 1, 2016.**
- Campus Procurement staff is working with Office of the President to clarify and develop guidance around the new requirements. Additional communications will address these changes.
- Example of the new requirements includes, changes in processes including:
 - Quotes or informal bidding for transactions between \$3K and \$150K
 - Federal Contracting Officer to approve sole source contracts over \$150K

Next Steps

Where do we go from here?

- Communicate with academic community and research administrators
 - Leveraging existing meetings
 - Research Administration Town Hall
 - School of Medicine Managers Meeting
 - Research Administration Think Tank
 - RMS Client Meetings
 - OSR Website
 - E-mail list serve



Partners in Stewardship

OSR, CGA, and BRM look forward to working with departments to ensure alignment with the Uniform Guidance. Our joint efforts will enhance our competitive advantage for future proposals, as proposal review now includes a risk-based analysis of the institution's (200.205):

- Research performance
- Compliance record
- Financial stability
- Internal control environment



UCSF Grant Reform Task Force Contacts

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UCSF Website

Office of Sponsored Research
Uniform Guidance

<http://osr.ucsf.edu/content/uniform-guidance-federal-awards>



Other Websites

Uniform Guidance, Title II CFR Part 200

www.ecfr.gov

Federal Register Notice with Preamble

<https://federalregister.gov/a/2013-30465>

Council on Financial Assistance Reform

www.cfo.gov/cofar

Questions and Concerns about the UG

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