Administrators of Sponsored Programs

Winona Ward, CRA
Office of Sponsored Programs
March 4, 2015

Uniform Guidance 2 CFR 200
Eliminating Duplicative and Conflicting Guidance

Then:

- Awards Received
  - A-102 & A-89
  - A-87
  - A-133 & A-50

- Subawards to universities
  - A-110
  - A-21

- Subawards to nonprofits
  - A-110
  - A-122

Legacy Guidance

- OMB Circular A-21, Cost Principles for Educational Institutions
- OMB Circular A-110, Uniform Administrative Requirements for Grant and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations
- OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations

Separate circulars for universities, state agencies, and hospitals. While similar in nature, there are some differences. All are now combined into the UG.

New Guidance (effective for awards issued on or after 12/26/2014)

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200)
- Combines 8 circulars into a Uniform guidance which will cover all types of entities. The uniform guidance includes sections on cost principles, audit and administration.
  - Also applies to for-profit entities.
- LSU has a workgroup reviewing the uniform guidance to determine what changes will be needed.
Workgroup Members

- Winona Ward, Darya Courville, Tracy Wang (OSP)
- Patricia Territo, Keri Tweed, Janet Parks, Laurie Barbier (SPA)
- Donna Torres, Ed Parfait, Patrice Gremillion (FAR)
- Tiffany Carter (Procurement)
- Tammy Guillotte, Janet Lingo (Ag Center)
- Monica Mougeot, Celeste Tassin (PBRC)

Please thank these members for READING the UG (all 179 pages, twice), evaluating impact, developing a responsibility matrix, and implementing changes to ensure compliance!

Notable Sections of the UG for LSU Researchers

- Administrative and Clerical Salaries (200.413)
- Computing Devices (200.453)
- Cost Sharing (200.306)
- Conflict of Interest (200.112; 200.318)
- F&A Rates (200.414 and 200.331)
- Participant Support Costs (200.68, 200.75, 200.308, 200.456)
- PI Absences & Changes in the Approved Cost Sharing (200.308)
- Publication (200.461)
- Subawards (200.201, 200.330-332, 200.414)
- Visa Charges (200.463)
- Procurement (200.317-326)
**Uniform Guidance (UG)**

**Administrative and Clerical Salaries (200.413)**
- Should still be treated as F&A costs and not be direct charged.
- Direct charging may be appropriate if all of the following conditions are met:
  1. The 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 or have the prior written approval from the federal agency; and
  4. The costs are not also recovered as indirect costs.
- Eliminates the “major project or activity” and “unlike circumstances” distinctions included in A-21.
- Continue to include in budget justification or seek prior approval from sponsor at post award stage.

**Computing Devices (200.453)**
- Can be direct charged if they are essential and allocable, even if not solely dedicated, to the project.
- Continue to include language in budget justification to address relationship to project.
- Computing devices <$5,000 are supplies, regardless of useful life.

**Cost Sharing (200.306)**
- Federal agencies **cannot** consider cost sharing as a review factor unless specifically required by agency regulations, and
- Requirements for cost sharing **must** be included in the funding opportunity announcement.
- So, voluntary cost sharing should not be included on federal projects unless required and published in the RFP.
Conflicts of Interest (200.112; 200.318)
- Requires federal agencies to establish conflict of interest policies for awards which will require the non-federal entity or pass-through entity to disclose in writing any potential conflict of interest.
- Per FAQ, this policy refers to conflicts that might arise around how a non-federal entity expends funds under a federal award, and does not refer to scientific conflicts of interest.
  - Examples: selection of subrecipient or procurements.
- Currently NSF and PHS(NIH) have policies on financial conflict of interest.
- Stayed tuned for each agency implementation of FCOI policy.
- Procurement and OSP are reviewing processes for identifying conflict of interest in procurements contracts and subawards (200.318).

F&A Rates (200.414 and 200.331)
- Requires federal agencies to accept federally negotiated F&A rates.
- Use by a federal agency of a different F&A rate for a class of awards or a single award is allowed only when required by statute or regulation or when OMB is notified of any approved deviations by the federal agency head.
- Requires that pass-through entities include federally negotiated rates in any subawards.
  - LSU's Federal F&A rate should be used and honored for federal flow-through awards from state agencies and other entities.
- When sponsors restrict rates on federal funds, OSP will work with the PI to seek clarifications and ensure that we do not affect competitiveness of LSU proposals.
Uniform Guidance (UG)

Participant Support Costs (200.68, 200.75, 200.308, 200.456)

- Previously allowed based on agency specific guidance (e.g. National Science Foundation).
- Defined as “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.”
- Must be included in proposal budget justification or seek prior approval from sponsor.
- Excluded from definition of Modified Total Direct Costs for all federal agencies.
  - OSP has revised budget templates to include participant support costs.
  - SPA will continue to set up separate accounts for participant support costs, since multiple object codes are involved (stipends, travel, etc.).
- Rebudgeting of participant support costs to other categories requires prior approval.

PI Absences & Changes in Approved Cost Sharing (200.308)

- A-110 required agency prior approval for the absence of the PI for more than 3 months.
- UG requires prior approval for the disengagement from the project of more than 3 months by the PI.
- Prior approval is still needed for a reduction in effort of 25% or more for the PI.
  - Note: Some agencies require approval for PI and other senior personnel
- OSP/SPA are updating policies and procedures to include new terminology, including Internal Prior Approval Form
- Prior approval is required for changes in approved cost-sharing or matching provided by LSU
  - OSP is monitoring agency implementations of the UG for exceptions to this requirement
Subawards (200.201, 200.330-332, 200.414)
- Requires institutions to perform a risk assessment on subawards prior to issuing the subaward in order to determine appropriate level of monitoring.
- Establishes a de minimus rate of 10% of Modified Total Direct Costs (MTDC) to be used for entities that do not have a federally negotiated rate.
- Requires institutions to obtain agency approval prior to issuing fixed price subawards.
  - Only fixed-price subawards up to $150,000 are allowed.
- Requires a new certification at the end of the project that the activity or level of effort was completed.
- OSP is updating subaward review/preparation policies and procedures, including use of new FDP template for federal subawards.

Visa Charges (200.463)
- Costs associated with short term, travel visas are allowable as a recruitment cost when:
  - Issued for a specific period and purpose
  - They can be clearly identified as directly connected to the work performed
  - Critical skills are needed to conduct the project

Publication (200.461)
- Under A-21 allowed when incurred within the period of performance.
- UG also allows for costs associated with publication or sharing of research results for costs incurred after the period of performance end date, but before closeout.

Other Notable Sections:
- Indirect Cost Rate Extension (200.414)
  - One-time extension for up to 4 years
  - FAR will request extension from DHHS
- Travel Costs - Dependent care (200.474)
  - Cannot allow unless/until state travel regs are revised
- Compensation - Focuses on internal controls vs effort reporting (200.430)
  - Will maintain PAR system, like most institutions, for now
**Uniform Guidance (UG)**

**Procurement (200.317-326)**
- OMB has deferred implementation for one year to allow entities time to modify and develop procurement procedures to become consistent with the Uniform Guidance (delayed until December 26, 2015).
- Provides detailed and prescriptive methods for procurement.
- New requirements for documentation of competition dependent on purchase price
  - Purchases over $3,000 must be competitive in some way and document competition
- LSU Procurement is reviewing UG for impact on current policies and procedures.

**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

Source: Gill Tran’s Presentation, NCURAAH30
**Implementation Dates & Action:**

- **12/26/14** UG effective for all new & supplemental awards
  - OSP reviewing proposals for compliance with UG
  - OSP created updated budget templates
  - OSP noting new awards & modifications which incorporate UG
  - SPA monitoring new awards/mods for compliance with UG
  - OSP ensuring that new awards which include subawards are vetted per the UG and subawards issued using FDP templates
  - OSP working with Procurement to obtain OCR approval to use FDP template

- **7/1/15** Start of first LSU FY to be audited for compliance with UG
  - Updated LSU policies and procedures must be in place

- **12/26/15** UG Procurement Standards effective (200.317-200.326)
  - Procurement reviewing new standards and determining necessary revisions to policies and procedures
Final Questions/Comments

Stay tuned for more from the UG Workgroup…
Thank you!