UNIFORM GUIDANCE QUICK GUIDE

UNIFORM GUIDANCE:
The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards from the Office of Management and Budget (OMB) (2 C.F.R. § 200) ("Uniform Guidance") is intended to reduce the administrative burden and cost of compliance for Federal grantees. It incorporates the concepts from the current circulars including A-21 (Cost Principles), A-110 (Administrative Requirements), and A-133 (Audit Requirements), which have not materially changed and introduces new reforms that generally provide for more flexibility in direct charging Federal awards. In doing so, the Uniform Guidance emphasizes the importance of institutional internal controls that proactively ensures compliance with the terms and conditions of the awards. This Quick Guide highlights some of the more significant changes that may impact your new grant applications and incremental funding on existing awards submitted beginning December 26, 2014.

UNIFORM GUIDANCE TIMELINE:
December 26, 2013  OMB issued the Uniform Guidance
June 26, 2014    Due date for the Federal agencies to submit proposed implementation plans to the OMB to allow for review and public comment
December 26, 2014 Uniform Guidance goes into effect, applying to new awards or incremental funding awarded to existing awards made after this date
For existing Federal awards received prior to December 26, 2014, Jefferson will adhere to the stated terms and conditions of the award
June 30, 2015    End of Jefferson’s first fiscal year under the new Uniform Guidance
July 1, 2015    Uniform Guidance Audit Requirements are applicable to Jefferson awards
Beginning of first Jefferson fiscal year under the new Uniform Guidance
July 1, 2016    Changes to the procurement provisions under the new Uniform Guidance go into effect

UNIFORM GUIDANCE SIGNIFICANT CHANGES RELATED TO FEDERAL AWARDS:
Subrecipient Monitoring (Section 200.330)
The Uniform Guidance requires institutions to perform a risk assessment of subrecipients prior to issuing subagreements in order to determine the appropriate level of monitoring. Factors to be considered may include:
- Prior experience;
- A-133/Uniform Audits;
- Personnel or system changes; and
- Monitoring by Federal agencies.
Recent Federal audits and enforcement actions continue to reinforce the need for ongoing monitoring of subrecipients regardless of the risk level assigned at the pre-award stage. Jefferson has developed a comprehensive new Subrecipient Monitoring Policy designed to meet this obligation.

Subagreements (Sections 200.332 and 200.331)
With prior approval, fixed price subagreements of up to $150,000 are permissible under the Uniform Guidance. Additionally, the Guidance clarifies that if a subrecipient does not already possess a negotiated Indirect Cost Rate, it may apply a de minimis 10% rate.
Closeout (Section 200.343)
The Uniform Guidance reminds institutions that financial closeout reports are to be submitted no later than 90 calendar days after the end date of the performance period. All final billings must be included in the financial closeout report unless an extension is authorized by the Federal sponsor.

Cost Sharing (Section 200.306)
Cost sharing is the portion of the total project costs of a sponsored agreement borne by the University or third party, rather than by the sponsor. Two important types of cost sharing are: mandatory cost sharing required by the sponsor as a condition of the award and explicitly enumerated in the proposal and voluntary committed cost sharing not required by the sponsor but offered in the proposal by the applicant. The Uniform Guidance reinforces the fact that voluntary committed cost sharing is neither expected nor considered during merit review of the proposal. Federal agencies must require mandatory cost share or not consider it at all. The Uniform Guidance supports Jefferson’s strong discouragement of cost sharing unless mandatory by the sponsor because of its financial and administrative burden. Please see Jefferson’s updated Policy No. 103.26 Cost Sharing and Matching Funds for Sponsored Projects.

Computing Devices (Sections 200.20 and 200.453)
The Uniform Guidance clarifies that computing devices are generally considered “Supplies” and can therefore be directly charged to Federally sponsored projects as long as they are essential and allocable to the performance of a Federal award. The OMB emphasizes that the rules governing computing device allowability and allocability have not changed. Computing devices no longer must be solely dedicated to a specific award. Any computing device costing more than $5,000 should be treated as “Equipment.” Please see Jefferson’s updated Policy No. 103.25 Costing Guidelines for Sponsored Projects and new PI Computer Device Request form available in RACE.

Administrative & Clerical Salaries (Section 200.413)
The rules governing the charging of administrative and clerical staff salaries have not substantively changed. The Uniform Guidance clarifies that salaries of administrative and clerical staff should be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate if the following conditions are satisfied:

- The services are integral to a project or activity;
- Individuals involved can be specifically identified with the project or activity;
- Such costs are explicitly included in the budget or have the prior written approval from the Federal agency; and
- The costs are not also recovered as indirect costs (F&A).

Compared to previous circulars, the Uniform Guidance does not identify any specific type of grants on which administrative/clerical salaries would be appropriate. Conversely, such costs may be sought on grants that are not designated as a “major project.” Please see Jefferson’s updated Policy No. 103.25 Costing Guidelines for Sponsored Projects.

Internal Controls (Section 200.303)
Strong internal controls provide reasonable assurance that Jefferson is managing its awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. The
Uniform Guidance emphasizes the importance of having documented internal controls. Please look for Jefferson’s new policy on Internal Controls, which will be issued soon.

Procurement (Sections 200.317-326)
The Uniform Guidance provides detailed and prescriptive methods by which institutions should procure goods and services under a Federal award costing $3,000 or more. This includes stricter requirements for sole-source purchases. The Guidance emphasizes the documentation requirements and internal written procedures for procurement. The OMB is providing a grace period to comply with these standards. In the meantime, the University is modifying and developing procurement procedures to comply with the Uniform Guidance. Please look for upcoming announcements that clarify new procurement procedures.

Principal Investigator (PI) Disengagement (Section 200.308)
The Uniform Guidance recognizes that PIs can be away from campus and remain engaged in the project. Prior approval from Federal awarding agencies must be obtained for the following program or budget-related reasons:

- Change in scope or objective of the project or change in a key person identified in the grant application; and
- Disengagement from the project for more than 3 months, or a 25% reduction in committed time.

Please see Jefferson’s updated Policy No. 110.09 Status Change for Principal Investigators and Key Personnel on Sponsored Projects.

Publication and Printing (Section 200.461)
The Uniform Guidance allows page charges for professional journal publications where: (a) the publications report work supported by the Federal government; and (b) the charges are levied impartially on all items published by the journal, whether or not under a Federal award. The University may charge the Federal award before closeout for the costs of publication or sharing of research results if the costs are not incurred during the period of performance of the Federal award. However, these costs must be recorded within the 90 day closeout period.

Compensation (Section 200.430)
Although formal effort reporting has been replaced with new terminology, emphasis has been placed on internal controls. Jefferson’s current Effort Reporting system is considered an effective internal control to ensure that compensation charges to Sponsored Projects are accurate, allowable, and properly allocated and will continue unchanged. As new Human Resource, Payroll, timekeeping, and labor accounting systems and processes are evaluated, the University will ensure such controls are in place.

Travel (Section 200.474)
The Uniform Guidance relies on Jefferson’s established travel policy to determine travel costs. Please look for Jefferson’s updated travel policy which will be issued soon.

WANT TO KNOW MORE?
Education sessions will be scheduled beginning January 2015.
If you should have any questions, please feel free to contact Brian Squilla.