



**UNIFORM
GUIDANCE
2 CFR 200**

What Do We Need to Know? - UPDATE

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What is it?

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200)
- Commonly referred to as Uniform Guidance (UG)
- Replaces OMB Circulars relevant to Universities:
 - A-21 “Cost Principles for Educational Institutions”
 - A-110 “Uniform Administrative Requirements for Awards and Other Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations”
 - A-133 “Audits of States, Local Governments, and Non-Profit Organizations”
- Replaces 5 other OMB Circulars relevant to states, non-profit organizations, etc.

What is it?

- At the moment, the only accurate version on-line is html:
 - 2 CFR 200 – Electronic Code of Federal Regulations:
<http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=6ea485757be6996ee7fc333ecc94895c&n=pt2.1.200&r=PART&ty=HTML>
http://www.whitehouse.gov/omb/grants_docs
- FAQs, Cross-walks, etc.
 - <https://cfo.gov/cofar/>

Regulations, Policies & Procedures

Federal – Order of Precedence - CHANGES



When does it start?

- **Effective Date - 200.110**
 - Technical corrections and agency implementations issued 12/19/2014
 - For new and incremental funding awarded after 12/26/14
 - Agencies are taking different approaches (WE ARE REVIEWING NEW ACTIONS CAREFULLY – and we'll let you know)
 - Delay in Procurement Standards (GOOD NEWS!)
 - Audits, Subpart F, first FY beginning after 12/26/14
- **But,**
 - Issued as Interim Final Guidance. In effect but open to comment until mid-February

What do UA departments need to know?

Federal Research Terms and Conditions

- Do not yet exist for awards issued under UG
 - For now, have to look at each Agency's T&Cs/rules for prior approval (e.g. equipment, rebudgeting, etc.)
 - Research T&Cs not expected anytime soon

What do UA departments need to know?

Consistency requirements remain

- **Factors affecting allowability - 200.403**
 - (d) “A cost may not be assigned to a Federal award as a direct cost if any other costs incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost” (This requirement is repeated in other sections)
- **Limitation on Reimbursement of Administrative Costs - Appendix III C. 8. (for Universities)**
 - b. “Institutions should not change their accounting or cost allocation methods if the effect is to change the charging of a particular type of cost from F&A to direct, or to reclassify costs, or increase allocations from the administrative pools identified in paragraph B.1 of this Appendix to the other F&A cost pools or fringe benefits.”

What do UA departments need to know?

Administrative and clerical staff salaries

- Direct costs - 200.413
 - (c) Should normally be an indirect cost but “Major project” requirement for direct charging is gone
 - Direct charging may be appropriate if (ALL required):

The “services are integral to a project” the “individuals involved can be specifically identified with the project” the “costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency” and “the costs are not also recovered as indirect costs”

BRAND NEW DIRECT CHARGE JUSTIFICATION FORM

What do UA departments need to know?

Computing Devices

- Have usually been treated as indirect
 - Either office supplies or general purpose equipment
- Definitions - Supplies - 200.94
 - A computing device is a supply if it does not meet the equipment capitalization threshold
- Materials and Supplies - 200.453 (New Rule)
 - (c) “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.”

BRAND NEW DIRECT CHARGE JUSTIFICATION FORM

What do UA departments need to know?

Compensation-personal services - 200.430

- Same concepts as current but less specific standards
- Internal controls are emphasized
- Documentation must “reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities”
- “After-the-fact” remains – If initially charging based on estimates, processes must include review and adjustment of interim charges

UA's Effort Reporting System (ERS) meets these criteria.

What do UA departments need to know?

- Extra Service Pay – 200.430(h)(4)
 - Expanded criteria for compensation for services above and beyond IBS
 - Consistent written policies uniformly applied
 - Written definition of IBS “specific enough to determine conclusively when work beyond that level has occurred”
- Conferences – 200.432
 - Formerly “Meetings and Conferences”
 - “dissemination of technical information beyond the non-Federal entity”
 - Emphasis on necessary, reasonable, minimize cost

What do UA departments need to know?

Cost Sharing – 200.306

- Restrictions on Voluntary Committed
 - “voluntary committed cost sharing is not expected”
 - “cannot be used as a factor during the merit review of applications”
 - Exceptions (but those must be specified in notice)
- 2/12/14 FAQ states that OMB Clarification of Uncommitted Cost Sharing is still in effect
 - “most Federally-funded research programs should have some level of committed faculty (or senior researchers) effort, paid or unpaid by the Federal Government.”

What do UA departments need to know?

Indirect (F&A) costs - 200.414

- (c) Federal agencies are required to accept negotiated F&A rates, unless a different rate is:
 - Required by law or regulation, or
 - Approved by the agency head based on documented justification. Agencies must notify OMB of any exceptions approved by the agency head.

Charging less than the negotiated federal rate IS cost sharing.

What do UA departments need to know?

Subrecipient Monitoring and Management - 200.330-332

- Subrecipients (e.g., foreign, small businesses, school districts, etc.) without a negotiated rate can get an automatic 10% MTDC F&A rate
- Monitoring must include review of financial and programmatic reports
- Some new restrictions on fixed amount subawards
 - Only up to \$150,000, prior written agency approval required
- 200.305(b)(3) Payments to subrecipients within 30 calendar days of receipt of billing, unless the request is improper

What do UA departments need to know?

Miscellaneous Administrative Items

- Potential Procurement Issues
 - In addition to working with COGR, FDP, etc., we are working with UA Procurement to identify any necessary changes (e.g. \$5,000 per transaction pCard threshold)
- Some potentially allowable costs require consistency with UA policy
 - Temporary dependent care costs for travel and/or conferences

What happens next?

Further Analysis and Implementation

- UA will continue working with COGR and others to receive clarification and identify best practices
- UA will continue reviewing current policies and procedures against UG and Agency Implementations
- UA policy and procedure changes will be announced as implemented

Contact us with questions!

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