UNIFORM GUIDANCE - IMPLEMENTATION
2 CFR 200
SUMMARY

Office of Contracts and Grants
December, 2014
2 CFR 200 - OVERVIEW

- Published in Federal Register 12/26/2013

- Joint effort between OMB and Council On Financial Assistance Reform (COFAR)

- Combines/revises 8 circulars in 1, including:
  - A-110 (Administrative Requirements)
  - A-21 (Cost Principles)
  - A-133 (Audits)
Streamline guidance for Federal awards

Reduce administrative burden

Increase transparency & strengthen oversight of federal spending to reduce risk, fraud, waste, and abuse

More focus on project performance and internal controls
WHEN?

- December 26, 2013: Published
- June 26, 2014: Agency Draft Regulations
- December 26, 2014: Implementation Deadline
- July 1, 2015: Procurement Implementation @ NCSU
- LATER: Audit Requirements
- Incremental funding - 2 sets of rules!
WHEN? (CONT.)

- CNG/SPARCS:
  - October: Policy Change Decisions
  - November: Develop training materials
  - Early December/January: Open Training Sessions
UNIFORM GUIDANCE SECTIONS

- Preamble: Pages 78590-78608, Supplemental information and discussion of issues
- Subpart A: Pages 78608-78617, Acronyms and Definitions, 200.X
- Subpart B: Pages 78617-78621, General Provisions, 200.1XX
- Subpart C: Pages 78621-78624, Pre Federal Award Requirements and Contents of Federal Awards, 200.2XX
- Subpart D: Pages 78624-78639, Post Federal Award Requirements Standards for Financial and Program Management, 200.3XX
- Subpart E: Pages 78639-78662, Cost Principles, 200.4XX
- Subpart F: Pages 78662-78672, Audit Requirements, 200.5XX
UNIFORM GUIDANCE SECTIONS

• Appendix I: Pages 78672-78675, Full Text of Notice of Funding Opportunity
• Appendix II: Pages 78675-78676, Contract Provisions for Non-Federal Entity Contracts Under Federal Awards
• Appendix III: Pages 78676-78682, Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)
• Appendix IV: Pages 78682-78685, Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations
• Appendix V: Pages 78685-78687, State/Local Government and Indian Tribe-Wide Central Service Cost Allocation Plans
UNIFORM GUIDANCE SECTIONS

- Appendix VI: Pages 78687-78688, Public Assistance Cost Allocation Plans
- Appendix VII: Pages 78688-78691, States and Local Government and Indian Tribe Indirect Cost Proposals
- Appendix VIII: Page 78691, Nonprofit Organizations Exempted From Subpart E-Cost Principles
- Appendix IX: Page 78691, Hospital Cost Principles
- Appendix X: Page 78691, Data Collection Form
- Appendix XI: Page 78691, Compliance Supplement
EFFECTIVE DATE ISSUES 200.110

- UG applies to Federal awards or funding increments after that date, in cases where the Federal agency considers funding increments to be an opportunity to modify the terms and conditions of the Federal award. It will not retroactively change the terms and conditions for funds a non-Federal entity has already received.
KEY ISSUES/CHANGES

Issues

Limited Implementation Guidance
Agency Draft Regulations
Technical Corrections
Internal Controls

Changes

Admin & Clerical Salaries
Computing Devices
Participant Support Costs
Publication Costs
Subrecipient Indirect Rate
Visa Charges
Certification Statement
Closeouts
Cost Sharing
Faculty Disengagement
Procurement
Subrecipient Monitoring & Management
Residual Inventory
CERTIFICATION STATEMENT 200.415(A)

- Financial reports and invoices must be signed by an authorized official:

“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.”
UNLIKE CIRCUMSTANCES
CLERICAL AND ADMINISTRATIVE SALARIES 200.413(C)

- Salaries of administrative and clerical staff NORMALLY indirect (F&A) cost. *(no change)*
- Direct charging may be appropriate if **ALL** of the following conditions are met:
  - Services are **integral** to project or activity
  - Individuals can be **specifically identified** with project
  - Costs are **explicitly included in budget** or have **prior written approval** from agency
  - Costs are **not also recovered as F&A** costs (in the development of the F&A Cost Proposal)
UNLIKE CIRCUMSTANCES
CLERICAL AND ADMINISTRATIVE SALARIES

Direct Charge Considerations

- Financial complexities are part of the award. Research Experiences for Undergraduates (REU) – tracking travel, housing, stipends – the department will not get participants if these pieces are not handled. Lablets that have numerous subtasks that have to be tracked as part of the award reporting.
- Administratively integral to the project.
- Documentation is not an administrative burden determined through a cost/benefit analysis.
UNLIKE CIRCUMSTANCES
CLERICAL AND ADMINISTRATIVE SALARIES

• Documentation Requirements
  • Clerical and Administrative Salaries that will be charged direct must be disclosed and justified in the proposal budget and budget narrative or through a prior approval request to the sponsor.
  • Documentation supporting direct charge of these costs must be prepared before the expense is charged, not after the fact. Must be signed and dated.
  • Documentation must indicate the essential nature or degree of support.
  • Job titles should also be accurate and clearly convey the work being performed by that individual.
  • Easy and quick retrieval of the support (unlike circumstance) is expected when requested.
UNLIKE CIRCUMSTANCES
CLERICAL AND ADMINISTRATIVE SALARIES

If Questioned by the Sponsor:

• Be prepared to explain individual’s activity and why unlike/unusual
• Be prepared to explain why individual’s activity on THIS grant is different than on another grant, if such individual’s time is NOT directly charged on another grant.
UNLIKE CIRCUMSTANCES
CLERICAL AND ADMINISTRATIVE SALARIES

Unallowable as a Direct Charge

• A standard or departmental average % added to each award to cover one or more administrative positions.

• Activity that is essentially required in all sponsored awards, such as assembling and copying a technical report.

• Grant proposal writing and preparation work can never be charged to a grant.

• Same need in multiple projects
UNLIKE CIRCUMSTANCES
CLERICAL AND ADMINISTRATIVE SALARIES

Strategies to Manage Risk

• Mandatory Training
• Periodic Reviews of documentation. C&G removes charges.
• Use of Project Attribute for “Unlike Circumstances”
• Use of PMR System to process request
Computing devices (laptops, desktops, software, etc.) NOT considered a depreciable asset by NCSU may be charged as supplies.

- Item(s) must be essential and allocable.
- NOT required to be solely dedicated to single project.

Definition: Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information.
• Very similar to A-21 with these additions:
  • As needed, the costs of identifying, but not providing, locally available dependent-care resources are allowable. (NCSU could only charge if we were allowed to charge this to all funding sources)
  • Conference hosts/sponsors must exercise discretion and judgment in ensuring that conference costs are appropriate, necessary and managed in a manner that minimizes costs to the Federal award.
Required to submit revisions 6 months in advance of a change in disclosed practice. May proceed with implementing change only if Cognizant Federal Agency does not respond within 6 months or request more time to review.
• Costs of entertainment, including amusement, diversion, and social activities and any associated costs are unallowable.

• UG Provides exception. If entertainment costs have a programmatic purpose and are authorized either in the approved budget for the Federal award or with prior written approval of the Federal awarding agency, the costs are allowable.
The negotiated rates must be accepted by all Federal awarding agencies unless a different rate is required by Federal statute or regulation, or when approved by a Federal awarding agency head or delegate based on a justification.

Federal agency head or delegate must notify OMB of any approved deviations from negotiated rates.

Agency must include in the notice of funding opportunity the policies relating to indirect cost rate reimbursement, matching, or cost share as approved.
• Any excess of costs over authorized funding levels transferred from any award or contract to another award or contract is unallowable as direct or indirect costs.
MTDC DEFINITION 200.68

- Participant Support Costs are specifically excluded from MTDC
PARTICIPANT SUPPORT COSTS 200.456

• Allowable with prior approval of the Federal Awarding Agency

• Definition: *Participant support costs* means 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.
PUBLICATION COSTS (200.461)

- The costs of publication (page charges) or sharing of research results may be charged to the project after the period of performance as long as the costs are incurred prior to closeout.
Any non-federal entity (state, local government, Indian tribe, institution of higher education or nonprofit organization) that has never had a negotiated indirect cost rate may use a *de minimis* rate of 10% of modified total direct costs (MTDC) indefinitely. The only exception is a governmental department or agency unit that receives more than $35 million in direct Federal funding must submit an indirect cost proposal. This will allow very small entities to recover 10% of MTDC from the federal government to share in the cost of operations.
Commercial airfare, least expensive unrestricted accommodations is allowed (However, we are limited by University travel regulations “Transportation by commercial airlines is limited to actual coach fare, substantiated by receipt”.)
VISA CHARGES 200.463 (UNDER RECRUITING COSTS)

- Short-term, travel visa costs (as opposed to longer-term, immigration visas) are generally allowable expenses that may be proposed as a direct cost. Since short-term visas are issued for a specific period and purpose, they can be clearly identified as directly connected to work performed on a Federal award. For these costs to be directly charged to a Federal award, they must:
  - (1) Be critical and necessary for the conduct of the project;
  - (2) Be allowable under the applicable cost principles;
  - (3) Be consistent with the non-Federal entity’s cost accounting practices and non-Federal entity policy; and
  - (4) Meet the definition of “direct cost” as described in the applicable cost principles.
MYTHS

- Effort Reporting has been eliminated - FALSE
  - Non prescriptive after the fact certification still required. 200.430
QUESTIONS?

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