The Uniform Guidance

ABA Forum
February, 2015
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What is the Uniform Guidance?

- Consolidates 8 existing OMB circulars into a single guidance document
- For Institutions of Higher Education, UG replaces circulars A-21 (Cost Principles), A-110 (Administrative Requirements), and A-133 (Audit Requirements)
Goals of the Uniform Guidance

1. Streamline guidance for Federal Awards to ease administrative burden
2. Strengthen oversight of Federal funds to reduce risks of waste, fraud, and abuse
How will this be accomplished?

1. Eliminate duplicative and conflicting guidance
2. Focus on performance over compliance for accountability
3. Encourage efficient use of IT and shared services
4. Provide for consistent and transparent treatment of costs
5. Limit allowable costs to make the best use of Federal Resources
6. Set standard business processes using data definitions
7. Encourage non-Federal entities to have family-friendly policies
8. Strengthen oversight
9. Target audit requirements to risk of waste, fraud and abuse
Effective date of the Uniform Guidance
- Applies to new awards on or after 12/26/2014
- Applies to incremental funding

Audit Requirements (Subpart F will apply to Penn awards beginning in FY16 (July 1, 2015))

Procurement Standards deferred for 1 year
Timeline for the UG

- **12/26/2013**: UG published
- **2/12/2014**: COFAR initial FAQs
- **6/26/2014**: Agency implementation plans due to OMB
- **8/28/2014**: COFAR revised FAQs
- **12/26/2014**: Agency Policies and Procedures published and effective; UG effective

COFAR has metrics collection plan to monitor effectiveness beginning in 2015
What is different?

- Direct charging of administrative salaries
- Computing devices
- Cost sharing
- Equipment
- F & A
- PI disengagement
- Purchasing
- Subcontracting
- Travel
- Effort reporting
- And more......
## A-21 vs UG

<table>
<thead>
<tr>
<th>Administrative Salaries</th>
<th>A-21</th>
<th>UG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permissible for major projects (we had interpretive leeway)</td>
<td></td>
<td>Must be integral</td>
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<tr>
<td></td>
<td></td>
<td>- Explicitly included in budget or prior written approval from Awarding agency</td>
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<td></td>
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<td>- Individuals can be specifically identified with the project</td>
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<td></td>
<td></td>
<td>- Costs not also recovered as indirect</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Computing Devices</th>
<th>Specifically identified to project</th>
<th>Devices &lt; $5K now considered supplies</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Must be essential and allocable, but not required to be solely dedicated to the performance of the award</td>
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</table>

| PI absences | Prior approval required for absences of more than 3 months | Language now reflects that away from campus ≠ disengaged from project |

| Publication Costs | Allowable if incurred within award period | Anticipated costs outside the period of performance are allowable before closeout |
## More A-21 vs UG

<table>
<thead>
<tr>
<th></th>
<th>A-21</th>
<th>UG</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost Sharing</strong></td>
<td>No prohibition on the consideration of Voluntary cost share in merit review</td>
<td>Cost sharing cannot be considered in merit review unless specifically specified in funding opportunity</td>
</tr>
</tbody>
</table>
| **Subcontracting** | • Fixed Price allowed with little oversight  
• No requirements on F &A to subs | • Fixed price require prior approval, limited to $150,000  
• Must use subrecipient’s negotiated F & A or 10% *de minimus* unless RFP specifically limits  
• Risk-based approach required for monitoring subrecipients for non-compliance/ increased monitoring requirements |
| **Visa Charges**  | Silent                                                               | Costs associated with visas when critical skills are needed for the specific award may be *proposed* and charged as direct cost |
| **Travel**        | Requires lowest commercial discount airfare                        | • Least expensive unrestricted airfare  
• Dependent care allowable *if* the institution has a policy that permits for all travel |
And yet more changes

- **Effort Reporting:**
  - UG allows for payroll certification

- **Equipment**
  - Additional information on use of equipment required

- **Closeout**
  - Must be complete (including final billings within 90 days)*

- **F & A**
  - Agencies must have director level approval and notify OMB when deviating from federally negotiated rates

- **Terminal leave and severance payments**
  - Allowable as indirect costs

- **Purchasing (implementation delayed until December 26, 2015)**
  - Micro-purchases < $3,000
  - Small Purchases $3,000 - $150,000
Implementation Plans

- Issued December 19, 2014
  - NSF is through the PAPPG (http://www.nsf.gov/pubs/policydocs/pappguide/nsf15001/nsf15_1.pdf)
Research Terms and Conditions

- Workgroup for “federal-wide” terms and conditions
  - NIH, NSF, DOC (NI ST, NOAA), FAA, DOE, DOT, EPA, NASA, Agriculture.… not DOD
  - Will be maintained on NSF website, but while we are waiting……

- Interim terms and conditions
  - NSF
<table>
<thead>
<tr>
<th>Issue</th>
<th>Agency</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Salary, equipment, etc. if not in original approved</td>
<td>NSF</td>
<td>Agency approval required</td>
</tr>
<tr>
<td>budget</td>
<td>NIH</td>
<td>Plan to retain FDP rebudget authority</td>
</tr>
<tr>
<td>Indirect Costs for foreign Subrecipients</td>
<td>NSF</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>NIH</td>
<td>8%</td>
</tr>
<tr>
<td>Computers less than $5000</td>
<td>NSF</td>
<td>Treated as supplies. Expect audit scrutiny</td>
</tr>
<tr>
<td></td>
<td>NIH</td>
<td>Treated as supplies. Expect audit scrutiny</td>
</tr>
<tr>
<td>90 Day Closeout</td>
<td>NSF</td>
<td>Move to 120 days</td>
</tr>
<tr>
<td></td>
<td>NIH</td>
<td>Move to 120 days (all)</td>
</tr>
</tbody>
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What is Penn doing to get ready?

- Engagement with administrative offices potentially impacted
- Committee to review Penn’s Sponsored Program Policies (all schools represented)
- Revised Sponsored Programs Policies Finalized and Published
- Website
  - [http://www.upenn.edu/researchservices/OMB%20Announcement.html](http://www.upenn.edu/researchservices/OMB%20Announcement.html)
Stay tuned

- Agency Research Terms and Conditions
- Revised Procurement Policy