UNIFORM GUIDANCE UPDATE

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Updated 2/12/15
What is the Uniform Guidance?

• Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

• Streamlines and supersedes eight OMB circulars, including A-110, A-21, A-133.

• Unifies higher ed, government and non-profit guidelines

• Includes pre- and post-award requirements, cost principles, and audit requirements.
When does the new guidance go into effect?

- Issued by OMB in December 2013

- New awards received after December 26, 2014 will be governed under new regulations.
Recent Activity

- Guidance being implemented through each federal agency.
- NSF has released its proposed PAPPG guide incorporating new guidance.
- Agencies’ proposed regulations were due to OMB June 26, 2014 (at least one agency asked for an extension).
- OMB is reviewing for consistency with Guidance and considering waiver requests.
- OMB released answers to FAQs on August 29, 2014.
- COGR guide to UG released September 17th, 2014.
- Interim final regulations released on December 19th, 2014.
- Public comments due February 17th, 2015.
- New awards received after December 26, 2014 will be governed under new regulations.
- Proposals submitted that anticipate an award start date after December 26, 2014 will be reviewed under the new guidelines.
Systemwide Implementation Strategy

- UCOP taskforce with campus representation:
  - James Ringo, Extramural Funds Accounting
  - Debra Henn, Extramural Funds Accounting
  - Mike Legrand, Costing Policy and Analysis
  - Cindy Kiel, Office of Research
  - Amy Holzman, Internal Audit

- Draft UG analysis memo October 6, 2014

- Systemwide policies and grant/contract guidelines will be updated

- Final UG analysis memo December 5, 2014
Campus Implementation Strategy

- UC Davis taskforce has been chartered
- Co-chairs:
  - Mike Allred, Associate Vice Chancellor for Finance/Controller
  - Cindy Kiel, Executive Associate Vice Chancellor, Office of Research
- Faculty representatives
  - Cliff Tepper
  - Christoph Vogel
  - Janet Foley
- Evaluate impacts
- Identify needed policy and procedure changes
- Draft new policy and guidelines
- Update data and technology resources
- Inform and educate campus community
Campus Implementation Strategy

December 26, 2014 – June 30, 2015
• Maintain current A-21 based policies except for:
  • New awards governed under UG requirements
  • Incremental actions governed under UG requirements

July 1, 2015 Forward
• Comply with UG requirements for all awards and incremental actions
Effect on Proposal Development

• If funding period expected to begin after December 26, 2014
• Computing device costs (essential, allocable and reasonable still apply)
• The following require prior approvals
  • Administrative Salaries
    • Elimination of major project – can direct charge admin salaries if they meet the following:
      • Are integral to the project
      • Individuals can be specifically identified with the project
      • Costs are included in the budget or have prior written approval
      • Costs are not also recovered as indirects
  • Participant support
    • NIH application: not applicable to Kirschstein-NRSA programs; only allowable when identified in funding opportunity announcement (FOA)
Cost Sharing

• Must be included in the notice of funding opportunity

• Voluntary committed cost share is not expected and cannot be used as a factor during merit review

• Voluntary uncommitted cost share as defined in the Jan 2001 OMB guidance memo was incorporated into the interim final UG

• Prior approval to use unrecovered F&A as cost share match
Subawards

• Subrecipient and contractor determinations (currently unresolved)
  • Potential impact on F&A return and administrative burden.

• Requirements for pass-through entities
  • Requires the use of Federally negotiated rates, the de minimis rate of 10% or rate negotiated with pass through entity
    • NIH only allows 8% to foreign entities

• Prescribes specific monitoring activities as compared to guidance in A-133
  • Raised A-133 audit requirement to $750K

• Fixed amount subawards
  • With prior approval
  • Issued up to the Simplified Acquisition Threshold ($150K)

• Payments to subrecipients must be made within 30 days from receipt of invoice
Procurement (grace period until July, 2016)

1. Micro Purchases
   - $3k
   - No quotations
   - Equitable distributions

2. Small Purchases
   - Up to $150k
   - Rate quotations
   - No cost or price analysis required

3. Sealed Bids
   - >$150k
   - Construction Projects
   - Price major factor

4. Competitive Proposals
   - >$150k
   - Fixed price or cost reimbursement
   - RFP with evaluation methods

5. Sole Source
   - Unique
   - Public emergency
   - Authorized by agency (or PTE)
   - No competition
Procurement

• OMB has provided a grace period for the implementation of the new procurement standards for Federal funds
  • FY 2016 UC must document for auditors whether the old standards or new standards are in place
  • FY 2017 new standards must be in place
Reporting & Certifications

• Fiscal
  • Annual and final fiscal reports requesting payment must be signed by an official who is authorized to legally bind the university
  • Holds the individual personally responsible for the information
    • Aware of false claims

• Technical
  • Institution must monitor interim and final technical report submissions
Direct Costs

• Administrative Salaries (prior approval required)
  • Removed the major project requirement
  • Must be integral to the project

• Computing Devices
  • Are allowable direct charges if they are essential and allocable even if they are not solely for the project

• Visa Costs
  • UG allows for payment on short-term visas that are critical and necessary for a particular project. We believe short-term visas will include the H-1B and J-1 visas.
  • UC Davis will monitor agency rules for implementation
F&A Rates

• Allows for universities that currently do not receive the 1.3% Utility Cost Allowance (UCA) to apply for the adjustment
  • Will allow UC Davis to increase F&A rate in the next negotiation

• Allows for a one-time extension for up to 4 years

• Recharge rates
  • Biannual reconciliations and rate adjustments changed from “should” to “shall”
Effort Reporting

• UG removes highly prescriptive requirements from A-21

• Emphasis on internal control

• Current Effort Reporting System satisfies requirement, but now have flexibility to adopt other methods
Next Steps

• Make sure to communicate changes with your school, college or unit
  • This presentation and supporting materials are available at uniform-guidance.ucdavis.edu
  • You may request to have a representative attend your meeting to present the material

• Updates to the implementation plan will be distributed as additional information becomes available

• An update to the Guide for Research Compliance will be released this month.

Visit uniform-guidance.ucdavis.edu for updates and support materials
Questions?

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