# **UNIFORM GUIDANCE UPDATE**

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### 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, 17<sup>th</sup>, 2014
- Interim final regulations released on December 19th, 2014
- Public comments due February 17<sup>th</sup>, 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)

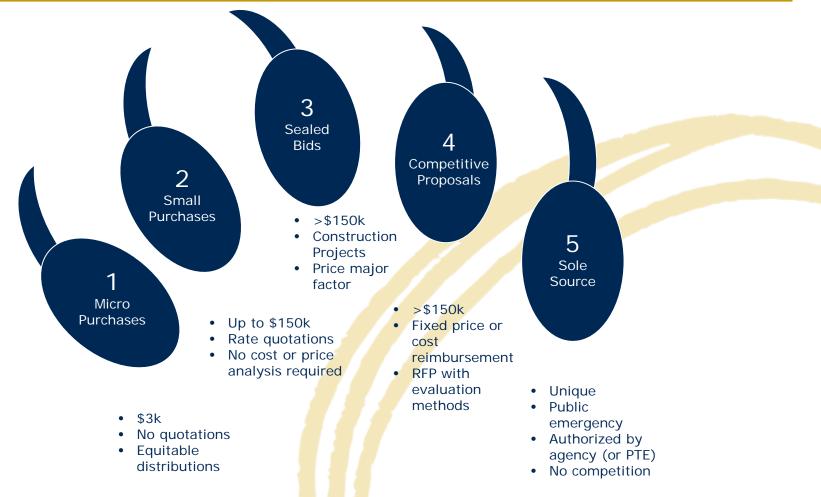
# **Cost Sharing**

- 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)



#### **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 <u>authorized to legally bind</u> 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 <u>uniform-guidance.ucdavis.edu</u> for updates and support materials



## **Questions?**

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