

2 CFR Part 200 – *Uniform Guidance*

Lisa Mosley

Executive Director, Research Operations

Michele Wrapp

Associate Director, Research Operations

December 15, 2014

§ 200.110 Effective/applicability date

- Applies to new awards and funding increments to existing awards made after 12/26/14
- ASU will apply *Uniform Guidance* (UG) to ***all*** awards effective 12/26/14

§ 200.112 Conflict Of Interest (COI)

- New – requires disclosure to Federal agency, in writing, of COI
- Refers to financial COI per FAQ .112-1, e.g.
 - Subrecipient selection
 - **Procurements**
- ASU has process in place for compliance

§ 200.113 Mandatory disclosures

- Requires disclosure of all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award
- Requirement already exists for FAR contracts
- ASU has process in place for compliance
- Need to obtain assurances & disclosure from subrecipients

§ 200.205 Federal agency applicant risk review

- Federal agency must review risk posed by applicants prior to making award
- Checklist of review criteria useful for subrecipient risk assessments

§ 200.210 Information contained in a Federal award

- Long-standing standard Research Terms and Conditions (RTCs) expire 12/26/14
- Biggest impact – loss of prior approval requirements waiver
- Anticipate release of new standard RTCs early January
- ASU will *assume* continuation of existing prior approval waivers and retroactive application

§ 200.305 Payment

- May retain up to \$500 in interest earnings (up from \$250) on advance payments
- “Pass-through entities must make payment within 30 days after receipt of the billing” from subrecipients

§ 306 Cost sharing or matching

- Only mandatory CS or VCCS to be included in F&A OR base
- Some level of faculty effort to be included in OR base per 01-06-2001 OMB Memo
- Salary over HHS cap not considered cost share

§ 200.307 Program income

- IHE's default to Addition Method
- Federal agency can
 - specify alternative treatment
 - Deduction Method
 - Cost Sharing
 - distinguish amongst sources, kinds and amounts

§ 200.308 Revision of budget and program plans

- Lists prior approval requirements for budget and program plan changes
- ASU will *assume* continuation of existing prior approval waivers and retroactive application until anticipated early January release of new standard RTCs
- Changes, additions, deletions
 - PI *disengagement* for >3 months, or 25% reduction in effort

§ 200.313 Equipment

- Awardee given “conditional title” to equipment – not a change
- Property systems in compliance with A-110 deemed compliant with UG
 - ASU is compliant
 - Data element / system changes not required
- AMT & Property Control collaborating to tighten existing processes

§ 200.318 - § 200.326 Procurement

- COFAR grace period to July 1, 2016 (FY2017)
- For FY2016 formally document whether A-110 procurement standards or UG procurement standards are being followed – ASU will follow A-110 procurement standards until FY2017
- ASU Purchasing is poised for UG implementation effective July 1, 2016
- Biggest change – “micro-purchase” threshold

§ 200.331 Requirements for pass-through entities

- Provides list of data elements required in subaward
- Provides guidance for evaluation of subrecipient risk and determination of monitoring plan

§ 200.332 Fixed amount subawards

- Require Federal agency prior written approval
- Cannot exceed Simplified Acquisition Threshold of \$150K
 - Address limitation via multiple subawards
 - Separate and distinct SOW
 - Each not to exceed \$150K
 - Federal agency prior written approval required for each subaward

§ 200.332 Fixed amount subawards, *continued*

- Five conditions for allowability
 - Payments based on meeting award requirements
 - No mandatory cost sharing or matching
 - Subrecipient must certify in writing that project was completed (or LOE expended)
 - Periodic reports required
 - Change in PI, project leader or partner, scope of effort require prior written approval

§ 200.339 Termination

Termination for cause by Federal awarding agency or pass-through entity is now allowed

§ 200.343 Closeout

- Federal agency required to complete closeout actions one year after final report acceptance
- Pass-through entity required to complete subaward closeout within one year of final report acceptance
- OMB emphasizing '90 day close'
 - Submission of financial reports
 - Submission of technical reports
 - Federal funds request

§ 200.407 Prior written approval

- Specific prior approval requirements listed by section number in § 200.407
- Not substantively different from A-21, A-110
- ASU will *assume* continuation of existing prior approval waivers and retroactive application until anticipated early January release of new standard RTCs

§ 200.413 Direct costs

- Change in requirements to allow direct charge of admin/clerical salaries
 - Need ***not*** be a ‘major project’
 - Must be ***integral*** to project or activity
- Still a CAS exception requiring justification

§ 200.414 Indirect costs

- Allows de minimus 10% MTDC F&A rate if no negotiated rate agreement
- Allows extension of current negotiated F&A rates for up to four years

§ 200.415 Required certifications

- Expands types of reports requiring certification
 - Annual/final fiscal reports
 - Invoices requesting payment
- Certifying individual must be able to legally bind institution
- Signatory accepts personal liability for potential fraud, false claims, etc.

§ 200.419 Disclosure Statement (DS-2)

- Submit DS-2 changes six months before implementation
- Assume approval after six months if no cognizant notification of concern or extension of review period communicated
- ASU DS-2 to be revised when new format templates released

§ 200.430 Compensation – personal services

- Emphasis on strong internal controls
- Prescriptive examples eliminated; COFAR confirms that effort reporting is not required under UG
- Emphasis on written policies and “consistent definition of work covered by IBS”

§ 200.430 Compensation – personal services, *continued*

- Continued focus on “processes to review personnel charges after-the-fact”
- Charges must reflect work performed
- Focus on § 200.430(i) detailing *Standards for Documentation of Personnel Expenses*

§ 200.432 Conferences

Clarifies that costs of *intra-university* meetings and conferences are unallowable

§ 200.436 Depreciation

- No depreciation on P,P&E costs used to meet cost sharing commitment (whether contributed by ASU or third party)
- Capitalized software projects can be depreciated
- No depreciation of fixed assets acquired solely for performance of non-Federal award (additional clarification required)
- AMT partnering with Property Control to define and implement process for compliance

§ 200.437 Employee health and welfare costs

- UG specifically disallows expenses related to employee morale
- UG allows expenses related to employee health
- FOT reviewing how such costs are charged
 - to ensure exclusion from fringe benefit rates
 - to classify as unallowable in F&A proposal

§ 200.451 Losses on other awards or contracts

- Specifies that cost overruns be included in direct cost base for computing and allocating F&A
- FOT to refine process for identifying cost overruns to ensure inclusion in direct cost base in FY2015 F&A proposal

§ 200.453 Materials and supplies costs, including costs of computing devices

- Charges for computing devices allowable as direct cost if essential and allocable
- Computing devices considered supply item
- NOT required to be solely dedicated
- Still a CAS exception requiring justification

§ 200.461 Publication and printing costs

Publication and printing charges incurred after the period of performance are now deemed allowable as long as they are charged within 90 days after end date

§ 200.463 Recruiting costs

- Short-term, travel visa costs allowable as direct cost if
 - critical and necessary for conduct of project
 - allowable under applicable cost principles
 - consistent with ASU practices
 - meet definition of “direct cost” per applicable cost principles
- No other changes from A-21, J.42 (a) (b) (c)

§ 200.470 Taxes (including Value Added Tax)

- VAT foreign taxes charged for purchase of goods and services allowable
- Awaiting ASU Tax Office guidance on continuing to pursue exemption from VAT when budgeted by subrecipients

2 CFR Part 200, Subpart F –Audit Requirements

- Effective for fiscal years beginning after 12/26/2014 (i.e. FY2016)
- FY2015 Single Audit to be conducted in accordance with A-133
- FOT tracking on anticipated changes – greatest impact on subrecipient monitoring

Appendix III – Indirect (F&A) Costs...

- FY2015 is ASU's base year for next F&A rate proposal
- FOT tracking on changes due to UG
 - B.4.c – inclusion of Utility Cost Adjustment of up to 1.3% to be allowed
 - B.6.a – direct charging of departmental admin allowable
 - C.2 – participant support costs excluded from MTDC (ASU already excludes from MTDC)

2 CFR Part 200 – *Uniform Guidance*

- Slides and summary documents provide high-level overview of changes
- “The devil’s in the details” - read actual verbiage from applicable section(s) of 2 CFR Part 200
 - as you update KMS and team documentation
 - as you field questions from RA’s and faculty
- Ask questions

Advancing Research, Innovation
Entrepreneurship and
Economic Development

researchmatters.asu.edu

