

# OMB Uniform Guidance

OSR Monthly Meeting

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NORTHWESTERN  
UNIVERSITY

# Background

Single most significant regulatory change in the fifty years of sponsored research



President Obama issued Executive Order 13576 on “Delivering and Efficient, Effective and Accountable Government”

UG is the OMB’s response to the presidential order



## What is the “Uniform Guidance”?

*“Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”* was released by the OMB on December 26, 2013

*Uniform Guidance* consolidates the eight federal circulars that govern financial assistance

Ease administrative burden, strengthen federal program oversight and reduce risk of waste, fraud and abuse

Effective December 26, 2014



## What is the “Uniform Guidance”?

Subpart **A** Acronyms and Definitions

Subpart **B** General Provisions

Subpart **C** Pre-Award Requirements & Contents of Federal Awards

Subpart **D** Post Federal Award Requirements

Subpart **E** Cost Principles

Subpart **F** Audit Requirements

**Appendices** (I) Funding Opportunities, (II) Contract Provisions, &(III) Indirect Costs (F&A)



# Implementation at Northwestern University

NU is involved with FDP, COGR, NCURA, COFAR and other academic research institutions during the transition

ASRSP, OSR and others have analyzed guidance, peer institution response and developed a draft implementation plan

UG website:

<http://www.northwestern.edu/asrsp/federal-initiatives/uniform-guidance.html>

Pre- and post-award procedures are under development



# Major Challenges

DHHS, DOD, DOE, and other federal agencies are responding to OMB changes and issuing new award terms and conditions

NIH Interim General Grant Conditions Implementing New HHS Grants Regulations (Uniform Guidance) NOT-OD-15-065 - released 2/5/15

Funding increments on existing awards, issued post 12/26/14, may be subject to the UG at the agency's discretion



# FDP Research Terms and Conditions

Federal Demonstration Partnership (FDP) is a cooperative initiative among federal agencies and institutional recipients of federal funds

Research Terms and Conditions (RTC)

- Jointly developed as a direct result of agency and institution partnerships through the FDP

RTCs are being updated by federal agencies; DHHS and NSF are leading the effort

Other federal agencies are following suit including – Agriculture, Commerce, Energy, Homeland Security, Labor, Transportation, Environmental Protection Agency, NASA, Defense and others





# NU Implementation Plan

NU Plan summarizes UG changes into 11 major topics

Will continue to evolve – follow UG website

Overview of major changes, future sessions likely

Need research community feedback





# Charging Administrative/Clerical and Programmatic Salary Costs

Normally treated as indirect costs

May be included if the following are met-

- Integral to the project or activity
- Individuals are specifically identified with project or activity
- Costs are explicitly included in the approved budget or have the prior written approval of sponsor

No change to costs in the “programmatic salaries” category and no percentage threshold



## Computing Devices

Classified as supplies (costing < \$5000)

Essential and allocable

Cannot be purchased for convenience when other devices are available

Justified at proposal or award stage

Devices costing > \$5000 should be proposed as capital equipment

Software over \$5k may be capitalized



# Procurement

## Procurement "Claw" (Sections 200.317-326)



# Subrecipient Monitoring

- Increased scrutiny of subrecipients through initial and ongoing risk assessments
- Regular review of technical progress reports by PI, invoices by department staff
- Audits, on-site reviews
- Remedial actions
- Issuance of management decisions
- Verify compliance with Single Audit Act



# Internal Controls

- Establish and maintain internal controls
- Non-Federal entity is managing awards according to terms and conditions
- Distinction between “should” and “must”



## Compensation –Effort Reporting

- Cost principles still apply – allowable, allocable, reasonable and direct benefit to the project
- Written policies and consistent definitions of work covered by Institutional Base Salary
- No changes to Effort Reporting Policies planned at this time
- Re-evaluation approximately one year after implementation



## Compensation – Fringe Benefits

Terminal payouts cannot be direct charged

Cost of leave should be recognized in the period that the leave is taken and paid for

- Northwestern is incorporating terminal leave benefit into fringe benefits rate, as opposed to direct charging sponsored project at time of employee separation
- Not anticipated that this change in methodology will significantly affect fringe benefits rates





## Closeout

- 90 day closeout period – all financial, performance, inventions and other reports must be submitted
- ASRSP must draw/invoice awards *in full* within 90 days of award end date
- Importance of regular project reviews and accelerated closeout activities
- Purchases made in the final 90 days of an award should receive additional scrutiny
- Unilateral closure by agency after 90 days



## Participant Support Costs

Costs paid to or on behalf of participants or trainees (not employees)

Not routinely allowable on research projects

Compartmentalized to manage and track costs

Cost category is common for NSF, now open for all federal agencies



## Visa Costs

Short-term travel visa costs are allowable

Purpose must directly benefit the project and be proposed as a direct cost

- Critical and necessary
- Allowable under the cost principles
- Consistent with accounting practices and policy
- Meet definition of “direct cost”



# Cost Sharing

Must be noted in funding opportunity, when mandatory

Voluntary cost sharing will not be a factor during funding consideration

Mandatory cost sharing must be included in the organized research base



# Awards at Northwestern under UG

How will we know an award is under UG?

- See UG references in NOA, Section III Terms and Conditions, references **45 CFR Part 75**
- See chart string flag – “Not UG” in award profile
- New chart strings will not be created for existing awards receiving the next increment of funding

Do we expect that agencies will issue amendments moving awards under UG as a matter of course?



# Looking Ahead

Agency-specific terms and conditions released

- NIH Interim General Grant Conditions Implementing New HHS Grants Regulations (Uniform Guidance) NOT-OD-15-065, released 2/5/15

September 1, 2015 – Uniform Guidance *audit* requirements are applicable to NU awards

September 1, 2016 - Uniform Guidance *procurement* standards are applicable to purchases on NU awards





# Chicago Campus Strategy

Departmental feedback is very important, from both faculty and staff in affected units

Establish workgroups for major topic areas

- Determine membership and designate leads
- Recruit volunteers from affected units, broad representation
- Recurring meetings (monthly, for 6-9 months) to review implementation plan and coordinate
- Utilize existing staff and systems as much as possible (keep it simple, easy to understand, and follow the new rules)





| Topic area   | Units affected                             | Workgroup representatives |
|--|--|---------------------------|
| 1. Administrative/clerical and programmatic salaries | Departments, ASRSP, HR, OSR,               |                           |
| 2. Computing devices                                 | Departments, OSR, ASRSP, FSM IT,           |                           |
| 3. Procurement                                       | Departments, Purchasing, ASRSP, OSR,       |                           |
| 4. Subrecipient Monitoring                           | Departments, OSR, ASRSP,                   |                           |
| 5. Internal Controls                                 | Departments, OSR, ASRSP, Audit,            |                           |
| 6. Compensation personal services                    | Departments, ASRSP, Cost Studies, HR, OSR, |                           |
| 7. Closeout  | Departments, OSR, ASRSP, INVO,             |                           |
| 8. Other topics                                      | To be determined                           |                           |

# Commitment

Steering Committee: Mike Daniels, Dave Lynch and workgroup leads

Workgroups:

- Recruit volunteers from affected units, no more than 7 members total
- Review current practice for your topic area
- Review UG requirements
- What are other colleges and universities doing?
- What will NU need to change (procedure, workflow and policy)?
- Who will be affected?
- Collaboratively write procedure and workflow that supports the change

Outcomes presented to workgroup, steering committee, then campus



# Answers!

<http://www.northwestern.edu/asrsp/federal-initiatives/uniform-guidance.html>

# Questions?

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