OMB Uniform Guidance

OSR Monthly Meeting
Thursday, February 19, 2015

Mike Daniels, ASRSP
Dave Lynch, OSR
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)

1. Micro-Purchases
2. Small Purchases
3. Sealed Bids
4. Competitive Proposals
5. Sole Source

General Standards:
A. Documented Policies
B. Necessary
C. Full & Open Competition
D. Conflict of Interest
E. Documentation
   i. Cost & Price Analysis
   ii. Vendor Selection
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


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

NORTHWESTERN UNIVERSITY
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)
<table>
<thead>
<tr>
<th>Topic area</th>
<th>Units affected</th>
<th>Workgroup representatives</th>
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<tbody>
<tr>
<td>1. Administrative/clerical and programmatic salaries</td>
<td>Departments, ASRSP, HR, OSR,</td>
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<tr>
<td>2. Computing devices</td>
<td>Departments, OSR, ASRSP, FSM IT,</td>
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<td>3. Procurement</td>
<td>Departments, Purchasing, ASRSP, OSR,</td>
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<td>4. Subrecipient Monitoring</td>
<td>Departments, OSR, ASRSP,</td>
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<td>5. Internal Controls</td>
<td>Departments, OSR, ASRSP, Audit,</td>
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<td>6. Compensation personal services</td>
<td>Departments, ASRSP, Cost Studies, HR, OSR,</td>
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<td>7. Closeout</td>
<td>Departments, OSR, ASRSP, INVO,</td>
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<td>8. Other topics</td>
<td>To be determined</td>
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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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