


# Uniform Guidance

ABC Meeting

September 23, 2014

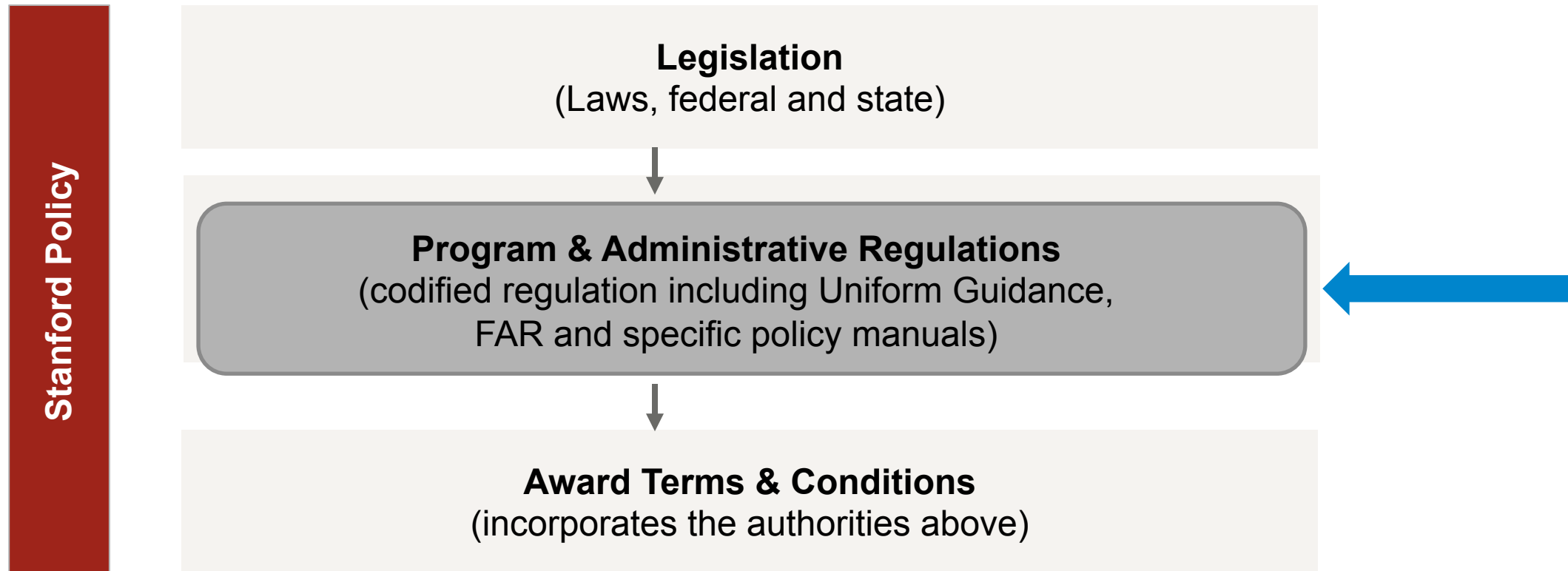
A blue-tinted image of a comet streaking across a starry night sky. The comet's tail is a bright, glowing blue-white streak that tapers as it moves from the bottom right towards the top left. The background is a deep blue night sky filled with numerous small, white stars of varying brightness.

Uniform Guidance... the Halley's comet  
of research administration

# Uniform Guidance Goals

- 1. Eliminating Duplicative and Conflicting Guidance*
- 2. Focusing on Performance over Compliance for Accountability*
- 3. Encouraging Efficient Use of Information Technology and Shared Services*
- 4. Providing For Consistent and Transparent Treatment of Costs*
- 5. Limiting Allowable Costs to Make Best Use of Federal Resources*
- 6. Setting Standard Business Processes Using Data Definitions*
- 7. Encouraging Non-Federal Entities to Have Family-Friendly Policies*
- 8. Strengthening Oversight*
- 9. Targeting Audit Requirements on Risk of Waste, Fraud, and Abuse*

# Uniform Guidance: the Big Picture



# Uniform Guidance Outline

8 Circulars  
Over 1,000  
pages

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)

# Uniform Guidance Implementation

- Applies to new awards and incremental funding awarded on or after December 26, 2014
- *Procurement Standards* deferred for one year
- Implement Subpart F *Audit Requirements* for Stanford on September 1, 2015

## DECEMBER 2014

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Happy Holidays!



UG

Calendar by [www.blankcalendar2014.com](http://www.blankcalendar2014.com)

	Uniform Guidance Timeline
12/26/2103	Published by the Office of Management and Budget (OMB)
Spring 2014	COGR and FDP presenting issues to OMB
May 9	NSF published Draft Proposal and Award Policies and Procedures Guide (PAPPG) 15-1
June 26	Agencies propose exceptions to the Uniform Guidance Draft implementation guidelines due to OMB for review
Feb 12 & August 29	Council on Federal Assistance Reform (COFAR) published FAQs
Sept 5 <sup>th</sup> & Sept 11 <sup>th</sup>	Stanford announcements to staff and faculty regarding proposing <i>Clerical &amp; Administrative Salaries and Computing Devices</i>
Dec 25 <sup>th</sup>	Research Terms and Conditions Expire
Dec 26 <sup>th</sup>	Agency Implementation Guidelines To Be Published



# OMB FAQs



- Good information included, but there are still open items
- Introduction to FAQs
  - .... ***Please note that in case of any discrepancy, the actual guidance at 2 CFR 200 governs. If there is a question pertaining to the application of the guidance to a particular Federal award, that question should be addressed to the Federal awarding agency or pass-through entity in the case of a subrecipient....***
- COGR and FDP advocating for Uniform Guidance language to be edited to include the concepts covered in the FAQs

[OMB FAQs](#) Link



# Uniform Guidance: Priorities

- Develop and issue policies/guidance on proposing costs based on the Uniform Guidance
  - For projects expected to be awarded on or after December 26, 2014
- Train faculty and staff on new policies/guidance
- Institutional management of multiple sets of policies & regulations at the same time
- Create flag(s) to identify awards operating under the UG or A-21. Consider system modifications, blocking/removing blocking on certain costs
- Cost Accounting Standards (CAS) Disclosure Statement revisions to be submitted after 12/26/14
- Internal Controls: Examine current controls; strengthen and document if needed; implement polices and practices
- Continue to work with OMB, Federal Funding Agencies, COGR, FDP, university partners to ease implementation

# What Don't We Know?

- Whether Federal funding agencies will allow institutions the authority to rebudget
- How long it will take the Office of Naval Research to review and respond to requests for changes to Stanford's Cost Accounting Standards (CAS) Disclosure Statement (DS-2)
- Whether OMB, Federal agencies and auditors will give the OMB FAQs the same weight as the guidance at 2 CFR 200
- What will be included in the Federal agencies' implementation regulations
- Still unpeeling the onion...

We're building tools to assist you and your faculty.

Read about one or all of the concepts that changed.

## Uniform Guidance: 13 Concepts that Changed

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Subawards	Administrative Salaries	Computing Devices
Publication Costs	Travel Costs	Cost Sharing
Faculty Disengagement	Closeout	Procurement
Visa Costs	Record Retention	Direct Cost Matrix
Conferences		



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Uniform Guidance Explainer

Administrative Salaries

## Administrative Salaries

Charging Administrative and Clerical Salaries to Sponsored Projects

Stanford Summary



Application at Stanford



Affected Stanford Policies



Stanford FAQs



Related Stanford Training

Uniform Guidance Text

OMB FAQs

Agency Guidelines

Related Links

ORA-1101: Understanding Cost Policy

ORA-1126: Managing Sponsored Projects:

ORA-1120: Proposal And Budget Preparation

ORA-1121: The Award Process

### Topics

Administrative Salaries

Closeout

Computing Devices

Conferences

Cost Sharing

Direct Cost Matrix

Faculty Disengagement

Procurement

Publication Costs

Record Retention

Subawards

Travel Costs

Visa Costs

Read a  
lot or a  
little.

It's up to  
you!

# UG What Changed

## Charging Administrative Salaries

### **A-21**

- Major Project

### **Uniform Guidance**

- Integral

# UG New Rules for Charging Administrative and Clerical Salaries

The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs.

Direct charging of these costs may be appropriate only if all of the following conditions are met:

1. Administrative or clerical services are *integral* to a project or activity;
  - a. **The requirement that the cost is “integral” means the services are essential, vital, or fundamental to the project or activity**
2. Individuals involved can be specifically identified with the project or activity;
3. Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency;
  - a. **A budget justification must be included in the proposal and,**
4. The costs are not also recovered as indirect costs.



## Stanford's new policy cont'd

### Charging Administrative Costs to Sponsored Projects

- Federal awards received before December 26, 2014 must continue to follow the requirements in OMB A-21 and Stanford's policy on Charging for Administrative and Technical Expenses (RPH 15.4) while new awards will follow the UG requirements.
- **Non-federally Sponsored Projects:** Direct charging of administrative or clerical salaries to a non-federally sponsored project is appropriate if the services benefit the sponsored project. Some non-federal sponsors may have specific requirements for direct charging of administrative costs. Such requirements need to be addressed in proposals.



# Charging Administrative Costs to Sponsored Projects

## FAQs

- On [DoResearch](#) website
- FAQs for:
  - Proposing and Direct Charging Administrative and Clerical Salaries
  - Direct Charging Administrative Supplies

My PI's current project is a *major project*. Will the same administrative salaries be considered *integral* when the continuation proposal is awarded?

# UG What Changed

## Charging Computing Devices To Sponsored Projects

### A-21

- Listed in A-21 F.6.b
- Specifically identified to a project



### Uniform Guidance

- Now considered a “supply”
- Devices under the lesser of \$5,000 or equipment capitalization threshold
- Essential and allocable, but not solely dedicated, to the performance of a Federal award

# Charging Computing Devices to Sponsored Projects

- “*Supplies* means all tangible personal property other than those described in § 200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life.”
- *Computing devices* means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information.
- Materials and supplies used for the performance of a Federal award may be charged as direct costs. In the specific case of computing devices, charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award.

# Stanford's New Policy

## Charging Computing Devices to Sponsored Projects

**Computing Devices** are machines that cost less than \$5,000<sup>1</sup> and are used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information.

- a) Charging computing devices as direct costs is allowable for devices that are essential and allocable (provide benefit), but are not solely dedicated, to the performance of a federal award.
  - Such devices are also allowable if solely dedicated to the performance of a federal award
- b) Federal sponsors may impose requirements for these costs to be included in the proposal budget and may require a budget justification. Until the federal agencies release specific information, budget justifications may be used at the discretion of the principal investigator. Requirements may be forthcoming from each sponsoring agency in fall 2014 or winter 2015.
- c) Inventory tags may be affixed to computing devices at the discretion of the department; inventory tagging facilitates accountability, availability for reuse, and appropriate disposal.

**Non-federally Sponsored Projects:** Direct charging of computing devices to a non-federally sponsored project is appropriate if the computing device benefits the sponsored project. Some non-federal sponsors may have specific requirements for direct charging of computing devices. Such requirements need to be addressed in proposals.

# UG New Rules for Visa Costs

## A-21

- Silent
- NIH considers visa costs allowable under recruiting costs

## Uniform Guidance

- Costs associated with visas when critical skills are needed for a specific award may be proposed and charged as a direct cost
- **Stanford considering allowing costs for J, F, and H visas**



SU Policy In  
Development

# Visa Costs

Short-term, travel visa costs (as opposed to longer-term, immigration visas) are generally allowable expenses that may be proposed as a direct cost.

– Since short-term visas are issued for a specific period and purpose, they can be clearly identified as directly connected to work performed on a Federal award. For these costs to be directly charged to a Federal award, they must:

- (1) Be critical and necessary for the conduct of the project;
- (2) Be allowable under the applicable cost principles;
- (3) Be consistent with the non-Federal entity's cost accounting practices and non-Federal entity policy; and
- (4) Meet the definition of “direct cost” as described in the applicable cost principles.

# UG New Rules for

## Principal Investigator/Project Director Disengagement

### A-21

- Prior approval required for the absence by the approved project director or principal investigator for more than three months.



Am I  
disengaged?

### Uniform Guidance

- New language added to reflect that project directors can be away from campus and remain engaged in the project at the proposed and awarded levels.

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Development



# Principal Investigator/Project Director Disengagement

- For non-construction Federal awards, recipients must request prior approvals from Federal awarding agencies for one or more of the following program or budget-related reasons:
- (1) Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).
- (2) Change in a key person specified in the application or the Federal award.
- (3) The disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.



UG  
200.308

# UG What Changed Subawards

## A-21

- Fixed Price Subawards allowed with little oversight

## Uniform Guidance

- Fixed Price Subawards require prior approval and limit each subaward to \$150,000



# UG New Rules for Subawards

- Minor changes to the subaward agreement templates to incorporate the following new prime award identification elements
  - Total amount of the Federal award
  - Federal award project description
  - Indirect cost rate of the federal award
- Increased scrutiny of the subrecipient F&A rate at the time of proposal.
  - For entities with no federally negotiated F&A rate, subrecipients are allowed to request a de minimis indirect cost rate of 10% MTDC.
    - OSR Form #33 “Subrecipient Commitment Form” includes a section on subrecipient
    - F&A and will be updated to include an option for entities with no negotiated rate.
  - Stanford policy already requires OSR Form #33 at the time of proposal

UG  
200.330  
to  
200.332

# UG New Rules for Subawards

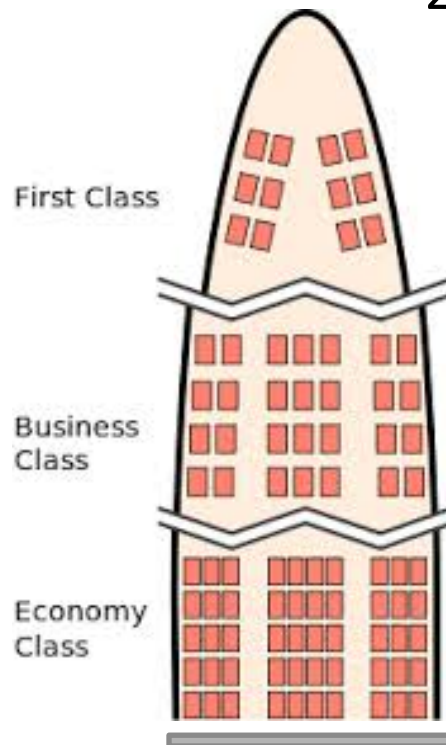
- Increased emphasis on risk analysis prior to issuing a subaward.
  - OSR already conducts detailed analysis at both the entity and project levels, as required by the Federal government.
    - 1. Entity level:** OSR Form 47 “Audit Certification and Financial Status Questionnaire”
      - a. Previous audit results
      - b. Entity-level controls, established systems, infrastructure
      - c. Maturity, experience
    - 2. Project level:** OSR Risk Analysis tool used by CGOs when drafting individual subawards
      - a. Scope of work
      - b. Deliverables (e.g. report vs. tangible item)
      - c. Amount of subaward and percentage of SU award subcontracted



# UG New Rules for Charging Travel Costs to Sponsored Projects

## A-21

- Airfare costs in excess of the customary standard commercial airfare (coach or equivalent), Federal Government contract airfare (where authorized and available), or the lowest commercial discount airfare are unallowable except....



## Uniform Guidance

1. Commercial Airfare - least expensive unrestricted accommodations
2. Provides, under specific and limited circumstances, a family friendly policy that should allow for individuals with dependent care responsibilities to better balance their responsibilities to both their families and the Federal award

Stanford  
position on  
topic under  
discussion

# Travel and Dependent Care Costs

1. Commercial Airfare - least expensive unrestricted accommodations class offered by the commercial airline
2. Temporary dependent care costs (as dependent is defined in 26 U.S.C. 152) above and beyond regular dependent care that directly results from travel to conferences is allowable provided that:
  - (i) The costs are a direct result of the individual's travel for the Federal award;
  - (ii) **The costs are consistent with the non-Federal entity's documented travel policy for all entity travel;** and
  - (iii) Are only temporary during the travel period.

Travel costs for dependents are unallowable, except for travel of duration of six months or more with prior approval of the Federal awarding agency. See also § 200.432 Conferences.

# Travel and Dependent Care Costs Benchmarking Results

- Travel
  - Most institutions do not know what they will do
- Dependent Care
  - A few institutions are calculating the potential cost of an institution-wide policy
  - A few said “no, we won’t be implementing a institution-wide policy allowing dependent care costs...”
  - Most institutions do not know what they will do



# UG New Rules for Cost Sharing

## A-21

- No prohibition on cost sharing included in merit review of proposals.
- NSF implemented guidance similar to the UG effective 1/18/2011
- January 5, 2001 Clarification on Voluntary Uncommitted Cost Sharing (VUCS) effective and references in A-21

## Uniform Guidance

- Cost sharing cannot be used during the merit review of proposals, unless specified in a notice of funding opportunity
- January 5, 2001 Clarification on VUCS included in FAQ, but it references A-21

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Development



# Cost Sharing

Under Federal research proposals, voluntary committed cost sharing is not expected.

- It cannot be used as a factor during the merit review of applications or proposals, but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity.
- Criteria for considering voluntary committed cost sharing and any other program policy factors that may be used to determine who may receive a Federal award must be explicitly described in the notice of funding opportunity.



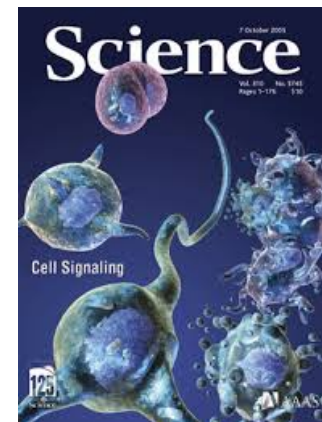
# UG New Rules for Charging Publication Costs to Sponsored Projects

## A-21

- Allowable if the costs were incurred within the period of performance

## Uniform Guidance

- We can charge anticipated publication charges that will occur outside of the period of performance



## Publication costs

The non-Federal entity may charge the Federal award before closeout for the costs of publication or sharing of research results if the costs are not incurred during the period of performance of the Federal award.



# UG New Rules for Closeout

SU Policy In  
Development

## A-21

- Financial closeout within 90 days
- No time limit currently imposed on final billings

## Uniform Guidance

- Financial closeout within 90 days including all final billings



# Closeout

- The non-Federal entity must submit, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by or the terms and conditions of the Federal award.
- The Federal awarding agency or pass-through entity may approve extensions when requested by the non-Federal entity.
- Unless the Federal awarding agency or pass-through entity authorizes an extension,
  - a non-Federal entity must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.

# UG New Rules for Record Retention

## A-21

- Silent on electronic records



## Uniform Guidance

- Allows for electronic record retention





## Record Retention

- “The Federal awarding agency and the non-Federal entity should, whenever practicable, collect, transmit, and store Federal award-related information in open and machine readable formats rather than in closed formats or on paper.”
- “When original records are electronic and cannot be altered, there is no need to create and retain paper copies. When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided that they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable.”



## Stanford's Potential Policy

# Records Retention

- Departments and central offices must be prepared to do “periodic quality control reviews” and [provision] “of reasonable safeguards against alteration”(UG 200.335)
- Consolidating all retention policies on one web page

## Direct Cost Matrix

Stanford is creating a resource to display whether costs are allowable to the following:

- Federally sponsored projects
- Non-Federally sponsored projects
- Stanford resources

# What Your Faculty Need to Know?

- New regulations and university policies on:
  - Cost sharing
  - Direct charging of administrative and clerical Salaries
  - Direct charging of computing devices
  - Visa charges
  - Travel and dependent care
  - Publication costs
  - Sub awards and subrecipient monitoring responsibilities
    - 10% de minimis indirect cost rate for subrecipients who don't have a negotiated IDC rate
  - Procurement requirements – *grace period for implementation*
  - Faculty Disengagement
  - More over time

# Uniform Guidance: Priorities

- Procurement
- Property
- F&A Issues
- Compensation- Personal Services
- Internal Controls
- Audit Requirements
- Participant Support Costs



# Transition Period

## Learn about the Uniform Guidance as it unfolds

- Read and understand updated RPH
- Read and understand agency implementation by reviewing revised grants policy manuals
- Check [DoResearch](#) often for updates on agency implementation
- New policies will be announced

## To do

- Propose administrative salaries based on the concept of *Integral* not *Major Project*
- Propose computing devices per new policy
- Schedule a Roadshow for your unit, group, department or school (faculty and/or staff)

# Contact Information

- Sara Bible, Associate Vice Provost for Research, DoR, 3-9050
- Ken Schulz, AVP, RFCS, 5-1733
- Russell Brewer, AVP, OSR, 5-9060
- Kathleen Thompson, Director, RMG, 5-0661
- Mich Pane, Director, Pre-award Operations, OSR, 3-2610
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