

Uniform Guidance- Framework for Grants Management

Topics to Cover

- ▶ What is Uniform Guidance
- ▶ Identify COFAR & COGR
- ▶ UG Start Date
- ▶ Definitions
- ▶ Disclosures
- ▶ Pre-Award
- ▶ Fixed Amount Awards
- ▶ Post Award

Topics to Cover

- ▶ Internal Controls
- ▶ Payment
- ▶ Cost Sharing
- ▶ Program Income
- ▶ Equipment
- ▶ Supplies
- ▶ Direct Costs
- ▶ Indirect Costs

Topics to Cover

- ▶ Procurement
- ▶ Selected Items of Cost
- ▶ Pass-thru entities
 - ▶ Subrecipients
 - ▶ Contractors
- ▶ Record Retention
- ▶ Audit Requirements

What is the Uniform Guidance?

- ▶ OMB consolidated other circulars to single circular, UG
- ▶ Supersedes A-21, A-87, A-122, A-89, A-102, A-110, A-133
- ▶ Found in 2 CFR Chapter I and Chapter II, Part 200, et al.
- ▶ Effective on 12/26/2014



COFAR & COGR

Who Are They?

- ▶ COFAR - Council on Financial Assistance Reform has been discontinued.
- ▶ Executive Branch officials to coordinate financial assistance.
- ▶ Established by an OMB Memorandum
- ▶ Worked closely with OMB in developing the Uniform Guidance.
- ▶ Website <https://cfo.gov/cofar/> contains resources related to the Uniform Guidance.

COGR

- ▶ COGR – Council on Governmental Relations
- ▶ Association of research universities
- ▶ National authority on financial and regulatory infrastructure & compliance requirements
- ▶ Associated with managing federal grants
- ▶ Frequently lobby Federal government on behalf of research institutions.

When Did UG Begin?

- ▶ The Uniform Guidance applies to awards or funding increments made after 12/24/2014.
- ▶ Will not retroactively change the terms and conditions for award already received.

Outline of Uniform Guidance

Subpart A – Definitions 200.0 – 200.99

Subpart B – General Provisions 200.100 - 200.113

Subpart C – Pre-Award 200.200 - 200.211

Subpart D – Post Award 200.300 - 200.345

Subpart E – Cost Principles 200.400 - 200.475

Subpart F – Audit Requirements 200.500 -
200.520

Outline of Uniform Guidance

Appendix I – Full Text of Notice of Funding Opportunity

Appendix II – Contract Provisions for Non-Federal Entity

Appendix III – Indirect (F & A) Costs Identification and Assignment , and Rate Determination for Institutions of Higher Education

Definitions & General Provisions

Sections 200.1 through 200.99 provide definitions of terms used in Federal awards.

The General provisions explain:

- ▶ General provisions for uniform standards
- ▶ Requirements, applicability, exceptions,
- ▶ Authorities, responsibilities and related info
- ▶ All Federal grants and cooperative agreements.

Disclosure Requirements

- ▶ Section 200.113 & 180.335 - Before you enter into a covered transaction, must notify Feds concerning:
 - ▶ Presently excluded or disqualified;
 - ▶ Conviction from past 3 years or civil judgment
 - ▶ Presently indicted for by a government
 - ▶ 1 or more public transactions terminated within past 3 years for cause or default.

Pre-Federal Award Requirements

- ▶ Section, 200.2XX requires Federal agency publication announcements of funding opportunities and notices of awards.
- ▶ Federal agencies must publish terms and conditions of grants
- ▶ Responsible for informing recipients of national policy requirements as applicable.
- ▶ Includes a standard set of data elements to be included in all federal awards (200.210).

Fixed Amount Awards

- ▶ Section 200.201(b)
- ▶ Fixed amount awards= “ a type of grant agreement under which the Federal awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred...” (200.45).
- ▶ OMB is encouraging federal agencies to experiment with this type of agreement

Fixed Amount Awards

- ▶ To increase flexibility, better outcomes, lower costs
- ▶ Accountability based on performance and results.
- ▶ Prior written approval from the Federal awarding agencies is required to issue fixed amount subawards.

Post – Award Requirements

- ▶ Sections 200.300-200.309
- ▶ Financial mgmt. system must include:
 - ▶ Identification of all federal awards
 - ▶ Accurate, current and complete disclosure of the financial results
 - ▶ Relate financial data to performance requirements of the federal award (200.301)

Internal Controls



- ▶ Section 200.303
- ▶ Requires Fed. award recipients to:
 - ▶ Safeguard personal info
 - ▶ Protect sensitive information
 - ▶ Follow laws regarding privacy and confidentiality

Payment

- ▶ Section 200.305
- ▶ Changed the amount of administrative expense that can be taken from interest earned on federal advances.
- ▶ Interest in excess of \$500 per year must be remitted annually to HHS
- ▶ This process is managed by Research Accounting (Steve)

Cost Sharing

- ▶ Section 200.306
- ▶ Voluntary committed cost sharing cannot be used as a factor during the merit review of applications or proposals
- ▶ May be considered if it is both in accordance with:
 - ▶ Federal awarding agency regulations
 - ▶ Specified in notice of funding opportunity.

Cost Sharing

- ▶ Criteria for considering voluntary committed cost sharing must be explicitly described in the notice of funding opportunity.

Program Income

- ▶ Section 200.307
- ▶ If not specific in how program income is to be used.
 - ▶ Program income may be added to the Federal award
 - ▶ With prior approval
- ▶ Income must be used like grant funds
- ▶ Program income includes license fees and royalties on patents and copyrights

Equipment

- ▶ 200.313
- ▶ Title to equipment will vest upon acquisition as a “conditional title”
- ▶ Title generally vests subject to these conditions:
 - ▶ Equipment used until funding ceases
 - ▶ Property no longer needed for project
 - ▶ Property cannot be encumbered without approval

Equipment

- ▶ Should be used for program as long as needed
- ▶ Regardless on whether or not the program continues.
- ▶ When no longer needed for the original program it may be used in:
 - ▶ Other activities supported by the Federal awarding agency
 - ▶ Then other Federal awarding agencies.

Equipment

- ▶ When acquiring replacement equipment:
- ▶ May trade in equipment
- ▶ Sell & use the proceeds to offset the cost of replacement
- ▶ Property records must be maintained
 - ▶ Description of property & Serial #
 - ▶ Source of funding & Title
 - ▶ Acquisition date & Cost
 - ▶ Location and Disposal Data

Equipment Disposal

- ▶ Disposal of equipment where title remains with Feds
- ▶ Items with FMV of $\leq \$5,000$
 - ▶ Retained, sold or otherwise disposed of with no obligation to Feds
- ▶ If Feds fail to provide requested disposition instructions within 120 days, items with FMV $> \$5,000$ may be retained
- ▶ The Feds interest in property = $\text{FMV} * \% \text{ paid by Feds}$
- ▶ Can deduct and retain lesser of \$500 or 10% as selling fee

Supplies

- ▶ Section 200.314
- ▶ Title to supplies will vest upon acquisition
- ▶ Inventory of unused supplies > \$5,000
- ▶ Not needed for another Federal award
- ▶ Must retain the supplies for use in other activities or sell them & compensate Feds

Direct Costs

- ▶ Section 200.413
- ▶ Direct costs- cost that can be identified specifically with a particular final cost objective.
- ▶ Costs incurred for the same purpose in like circumstances must be treated consistently
- ▶ Also see Fayetteville campus policy 310.1
- ▶ Salaries of admin. and clerical staff should normally be treated as indirect costs.

Direct Costs

- ▶ Direct charging of these costs may be appropriate only if all of the following conditions are met:
 - ▶ Administrative or clerical services are integral to a project of activity.
 - ▶ Individuals involved can be specifically identified with the project or activity.
 - ▶ Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency.
 - ▶ The costs not also recovered as indirect costs.

Indirect Costs

- ▶ Section 200.414 (c)
- ▶ Negotiated indirect cost rate must be accepted by all federal awarding agencies except when required by a federal statute or regulation,
- ▶ Or “when approved by a Federal awarding agency head or delegate based on documented justification...

Indirect Costs

- ▶ The Federal awarding agency must implement , and make publicly available, the policies, procedures and general decision making criteria that their programs will follow to seek and justify deviations from negotiated rates.”

Indirect Costs

- ▶ Section 200.414 (f) – Entities without a negotiated rate may elect to charge a de minimis rate of 10% of MTDC.
- ▶ Section 200.331 (a) (4) - authorizes pass-through entities to allow subrecipients to use the 10% de minimis rate if the subrecipient does not have a negotiated federal rate.

Procurement

- ▶ Section 200.318
 - ▶ Requires records sufficient to detail procurement history
 - ▶ Avoid acquisition of unnecessary/duplicative items.

Procurement

- ▶ Section 200.319
 - ▶ Requires full and open competition
 - ▶ Prohibits the use local geographical preferences
 - ▶ Requires written procedures
 - ▶ Vendors are current
 - ▶ Enough qualified sources to ensure maximum and open free competition

Methods of Procurement

- ▶ Section 200.320
 - ▶ Micro-purchase (200.67)
 - ▶ \$3,000 or less
 - ▶ Quotes not required (reasonable)
 - ▶ Simplified Acquisition Threshold (200.88)
 - ▶ \$3,000 - \$150,000
 - ▶ Need quotations from adequate number of qualified sources.
 - ▶ Implementation Delayed – now set for 07/01/2018.

Methods of Procurement

- ▶ Purchases over \$150,000 may use the Competitive Proposal or Sealed Bids method.
- ▶ Noncompetitive proposals from 1 source used when:
 - ▶ Item is only available from a single source,
 - ▶ Public emergency will not permit delay
 - ▶ Express authorization from Feds

Selected Items of Cost

- ▶ Sections 200.420-200.475
 - ▶ 200.430 Compensation
 - ▶ Still requires effort reporting
 - ▶ 200.453 Computing devices can be charged as direct costs if:
 - ▶ Essential and allocable
 - ▶ But not solely dedicated to award

Selected Items of Cost

- ▶ 200.463 Recruitment costs
- ▶ Permits visa costs as allowable direct costs
 - ▶ "Critical and necessary to conduct of the project".
- ▶ 200.474 Travel Costs
 - ▶ Documentation that Participation is necessary to Federal Award



Business Services Travel Services

ACCOUNTS PAYABLE eBUSINESS PROCUREMENT RAZORBUY SURPLUS TRAVEL VENDORS

Traveling Using Federally Funded Grants

U of A / [Travel Services](#) / Traveling Using Federally Funded Grants

Please see information below **PRIOR** to booking airfare or processing a request to travel when federal funds will be used to fund the travel.

1. If traveling internationally using federal funds you must comply with the ***Fly America Act***.
2. You must comply with ***Uniform Guidance*** requirements by supplying a written justification when submitting your travel request (TREQ/TA). Each justification **MUST** be transaction specific. In other words, no 'blanket' justification to cover any travel. Examples of the type of information you would provide are:
 - If traveling for research, specify the type of research being conducted and how it relates to the grant
 - If attending a conference, why is the conference beneficial to the award of the grant, and what topics are going to be discussed
 - If collaborating with other researchers, who are these researchers and how does this collaboration relate to the award and funding of the grant

Contracting With Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms

- ▶ Section 200.321
- ▶ MBE/WBE and labor surplus firms are used when possible.
- ▶ Steps include:
 - ▶ Placing small and MBE/WBEs on solicitation lists.
 - ▶ Assuring small and MBE/WBE are solicited when they are potential sources.
 - ▶ Dividing total requirements when economically feasible, into smaller tasks to permit maximum participation by small and MBE/WBE businesses.

Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms

- ▶ Establishing delivery schedules when the requirement permits which encourage participation by small and MBE/WBE businesses.
- ▶ Using the services and assistance of SBA & Minority Business Development Agency of the Dept. of Commerce.
- ▶ Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) above.

Subrecipient Determinations Section 200.330

Subrecipient:

- ▶ Performance measured against award objectives
- ▶ Responsible for programmatic decisions
- ▶ Adherence to program requirements
- ▶ Uses federal funds to carry out a program, not to provide goods and services
- ▶ May determine who is eligible to receive Federal financial assistance

Contractor Determinations

Contractor:

- ▶ Provides goods or services and may provide similar goods or services to many different purchasers.
- ▶ Operates in a competitive environment
- ▶ Is not subject to compliance requirements of Federal program

Federal agencies may require specific support for determinations.

Requirements For Pass-Through Entities

Section 200.331 requires that all pass-through entities must:

- ▶ Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes standard required information. A list of the required information can be found in this section.
- ▶ Evaluate each subrecipient's risk of noncompliance to determining the appropriate subrecipient monitoring.

Requirements For Pass-Through Entities

- ▶ Subrecipient Monitoring may include:
 - ▶ The subrecipient's prior experience with the same or similar subawards
 - ▶ The results of previous audits (Single Audit)
 - ▶ Personnel or system changes
 - ▶ The extent and results of Federal awarding agency monitoring

Requirements For Pass-Through Entities

- ▶ Reviewing financial and programmatic reports required by the pass-through entity.
- ▶ Follow-up and ensure that the subrecipient takes timely action on all deficiencies
- ▶ Issue a management decision for audit findings pertaining to the Federal award provided to the subrecipient.

Requirements For Pass-Through Entities

- ▶ Monitoring Tools
 - ▶ Provide the subrecipient with training and technical assistance
 - ▶ Perform on-site reviews of the subrecipient's program operations
 - ▶ Arrange for agreed-upon-procedures engagements as described in 200.425 Audit Services
- ▶ Verify that every subrecipient is audited as required by Subpart F – Audit Requirements.

Requirements For Pass-Through Entities

- ▶ Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicates conditions that necessitate adjustments to the pass-through entities own records.
- ▶ Consider taking enforcement action against noncompliant subrecipients as described in Section 200.338

Fixed Amount Subawards

- ▶ **Section 200.332 Fixed amount subawards**
- ▶ With prior written approval from the Federal awarding agency, a pass-through entity may provide subawards based on fixed amounts up to the Simplified Acquisition Threshold (currently \$150,000), provided that the subawards meet the requirements for fixed amount awards in Section 200.201. Those requirements include payments based on meeting specific requirements of the Federal award. Such payments can be based on “milestones”, “unit price basis”, or one payment at Federal award completion.

200.201 (2) A fixed price amount cannot be used in programs that require mandatory cost share or matching.

200.201 (3) The non-Federal entity must certify in writing to the Federal awarding agency or pass-through entity that the project or activity was completed or the level of effort was expended. If the level of activity was not carried out the amount of the award must be adjusted.

Subrecipients – Indirect costs



Section 200.331 (a)(4) if the subrecipient has a Federally negotiated indirect cost use it. If not the non-Federal entity can either negotiate a rate with the subrecipient or use a de minimus rate of 10% of MTDC.

Record Retention

- ▶ Section 200.333 – Records must be retained for a period of three years from the date of submission of the final expenditure report or for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities.
- ▶ Exceptions
 - (a) If any litigation, claim or audit is started records should be kept until such action is resolved and final action taken.
 - (b) When notified in writing by the Federal awarding agency to extend the period.
 - (c) Records of real property and equipment acquired with Federal funds must be retained 3 years after final disposition.
 - (d) If records are transferred to the Federal awarding agency or pass-through entity, the 3 year requirement is not applicable to the non-Federal entity.
 - (e) Records of program income after the period of performance if reportable to the sponsor would be kept 3 years after the end of the non-Federal entities fiscal year in which the program income was earned.

University of Arkansas Record Retention Policy



Fayetteville campus policy 218.0 has various record retention requirements for different types of documents.

Relevant ones include:

- ▶ Grant Proposals & Source Documents – active plus 3 years
- ▶ Patent materials – indefinitely
- ▶ Grant Accounting records - 5 years
- ▶ Grant Property records – 5 years
- ▶ Accounting entry records – indefinitely (electronic)

Subpart F – Audit requirements



200.501 Raises Single Audit threshold to expenditures of \$750,000 or more in Federal awards. May impact whether some of our subrecipients have a Single audit.