Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

at 2 CFR 200

November 12, 2014
Preparing campus for what is changing and what is not…

• What is *Grants Reform* and when is it effective?

• What changes are most important to faculty and research performers?

• What is *NOT* changing?

• How is Georgia Tech responding?

• Next Steps
Grants Reform

- Office of Management and Budget Circulars combined into Uniform Requirements
  - Effective December 26, 2014 & after
- Why is this change taking place?
- Who was responsible for “Grants Reform” and combining the regulations?
- Is there an organizing principle behind the new regulations?
ORDER OF PRECEDENCE: CONTROL OF A SPONSORED PROJECT

- **Award**
- **Special Conditions**
  - (found in the solicitation)
- **Program Rules**
  - (found in the solicitation)
- **Agency Rules**
  - (found in agency general terms and conditions)
- **Uniform Requirements**
  - (2 CFR 200)

**State Laws & Regulations**

**Institute Policies**

11/12/2014

2 CFR 200 Overview of Changes
Uniform Requirements – What’s Covered

• Administrative Requirements
  – Finances
  – Purchasing
  – Property
• Solicitations, Proposals, and Awards
• Allowable Costs
  – Direct and Indirect
  – Personal Services (Effort Reporting)
  – Space and Utilities
• Facilities and Administrative Cost Calculations
MAJOR CHANGES

“SHOULD”

“MUST”
Program performance must reflect financial performance
• Similar to ARRA reporting

Emphasis is on internal controls and documentation
• Timely appointments and cost transfers
• PI Certification

Subawards
• Pre-award documentation required
• Limits on fixed price
• Payment requirements
• Greater financial and programmatic performance monitoring

Planning is Important!
• Proposing fixed price
• Subawards
• Purchasing will require more quotes and bids
• Close-out timeline will be compressed
WHAT CHANGES ARE MOST IMPORTANT TO FACULTY AND RESEARCH PERFORMERS?

Proposals
• Solicitation
• Cost-sharing cannot be considered in review and requires agency head approval
• Agencies are expected to pay the full negotiated F&A rate

Purchasing
• Documentation standards have changed
  Micro-purchasing threshold reduced from $10,000 to $3,000

Materials & Supplies
• Accounting for residual supplies and documentation for late-term charges
• New cost-transfer limitations

Equipment
• Equipment purchased with federal funds must be made available to other federally-funded projects
• Additional closeout / disposition requirements
WHAT’S NOT CHANGING?

4 Cost Accounting Standards Apply

The Uniform Requirements are built on the ROCK of Allowability Allocability & Reasonableness

"Computing devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award may be allowable as direct charges if appropriate and meet the above requirements."

Time and Effort Reporting continues to be the basis of documentation of personnel charges.

Expectation to financially & programmatically close awards within 90 days of term.

Travel regulations are consistent with those of the State of Georgia.

Dual role of graduate students and post-doctoral trainees affirmed.
• An institution’s practices used in estimating costs in pricing a proposal shall be consistent with the institution’s cost accounting practices used in accumulating and reporting costs

• Like costs in like circumstances must be treated in the same manner

• Unallowable costs shall be excluded from any billing, claim, or proposal applicable to a sponsored project

• An institution shall use their fiscal year as their cost accounting period
NEXT STEPS

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200 becomes effective December 26, 2014 for new awards.

• Agency Specific Requirements
  – NSF published
  – Others expected by 12/26/14

• Procurement Requirements delayed until July 1, 2016 for GT

• F&A changes effective July 1, 2015

• GT Team will be issuing policy revisions between now and 12/26

• Training for Financial Managers begins in October