UNIFORM GUIDANCE OVERVIEW

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OmniGuidance is a combined, “simplified” version of 8 previous circulars.

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**2 CFR 200**
- Subpart A – Acronyms and Definitions
- Subpart B – General Provisions
- Subpart C - Pre-award Requirements & Contents of Federal Awards
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- Subpart E – Cost Principles
- Subpart F – Audit Requirements
- Appendix
The infamous “Spaghetti” slide…
So in a nutshell...here’s what they’re trying to fix:
Goals of Updated Regulations

Reduce fraud, waste, and abuse vs. Streamline
OmniGuidance Implementation Plan

- **2013**
  - 12/26/13 Release

- **2014**
  - 6/26/14 Agency plans due to OMB

- **2015**
  - 12/26/14 Implementation (all but audit)

- **2016**
  - 7/1/15 Audit provisions go into effect for FY’s beginning in 1/15

**Steps:**
- Understand (OmniGuidance)
- Influence
- Plan (OmniGuidance)
- Understand (Agency)
- Plan (Agency)
- Implement
- Evaluate
- Refine
Challenges

■ **Short implementation timeline**
  - Federal agencies expected to issue implementing regulations in October/November 2014
  - Subject entities to modify internal systems, policies, procedures and complete associated training/communication

■ **Clarity still needed on key issues**
  - Interpretation of and new definitions that may not track with existing circulars
  - Documentation requirements to meet audit obligations
  - Applicability for subject awards e.g., new awards vs. incremental funding for existing awards
Challenges (cont’d)

- Management of awards subject to multiple circulars after 12/26/14 implementation date

- How do we formulate a plan when there are so many unanswered questions??
  - Participate with key industry groups on a national level to influence agencies
    - FDP, COGR, AIRI

- Develop a new and universal name/acronym …currently referred to as:
  - Omnicircular
  - Omniguidance
  - Uniform Guidance, UG, or maybe just UGHHHH! (U-G-L-Y has been suggested
  - Super circular
Some highlights of what we may care about

**Conflict of Interest Requirements**
- New obligation for every federal agency to have COI regulations in place and require reporting for “potential” conflicts
  - Unclear how significant an impact this will have

**Restriction on Profit**
- Recipients may receive fixed price awards only if they will “realize no increment above actual cost”
  - Unclear if this is intended to include minor residual balances on fixed price awards
Subawards & Subrecipient Monitoring

- F&A improvements
  - Sponsors (agency and pass-through) obligated to honor our negotiated F&A rate
  - Subrecipients (e.g., foreign, small businesses, school districts, etc.) without a negotiated rate can get an automatic 10% MTDC F&A rate

- Increased burden for vendor vs. subrecipient classification
  - New option for each federal agency to require us to document how we decided each transaction is a subaward versus a vendor agreement

- Increased burdens for subaward issuance
  - New obligation to obtain federal agency prior approval before using a fixed price subawards (common for foreign subs, clinical trials, and small entities)
  - New limit on size of fixed price subawards ($150K)
  - New mandatory list of data elements that have to be included in each subaward
  - Clarification that if you want reports from your subrecipient, you must include the requirement in your subaward
  - Increase in number of subrecipients without audit reports (threshold raised from $500K per year in federal expenditures to $750K)
Subawards & Subrecipient Monitoring (Con’t)

- Increase/decrease in burden in subaward risk assessment
  - Pass-through entities authorized to use Federal Audit Clearinghouse to verify audit reports for single audit entities (instead of separately collecting reports or certifications)
  - Explicit obligation to assess risk of each potential subrecipient, with list of factors to consider

- Increased subrecipient monitoring burdens
  - Explicit lists of mandatory and optional factors to be included in subrecipient monitoring
  - New obligation to be able to prove that you received/reviewed your subrecipient’s performance and financial reports
Changes in Indirect /F&A Costing Rules

- Federal agencies are expected to honor negotiated F&A rates
  - Class or single award exceptions only when required by Federal statute or regulation, or approved by an agency head or delegate
  - Exceptions must be reported to OMB
  - Policies, procedures, and general decision-making criteria for making exceptions must be published

- Entities may apply for a one-time extension to their existing F&A rates for up to 4 years
  - No rate change if granted

- Participant Support Costs
  - Must be excluded from F&A (similar to NSF model)
Purchasing

- Use of statutorily imposed state or local geographical preferences prohibited in procurements
- Requirement to use one of only 5 procurement methods
- Language that implies that purchases over $3K require competitive bidding
- Confusion not resolved about F&A on vendor purchases over $25K

Equipment

- New data elements to track in our property system
- Records must contain “use” of the equipment
Next steps at FHCRC

- Convene group to lead strategic planning
- Identify key stakeholders/roles responsibilities
- Communicate with industry partners/collaborators and Federal agencies
- Ongoing communication with Center staff regarding implementation
- Hold on!!!