

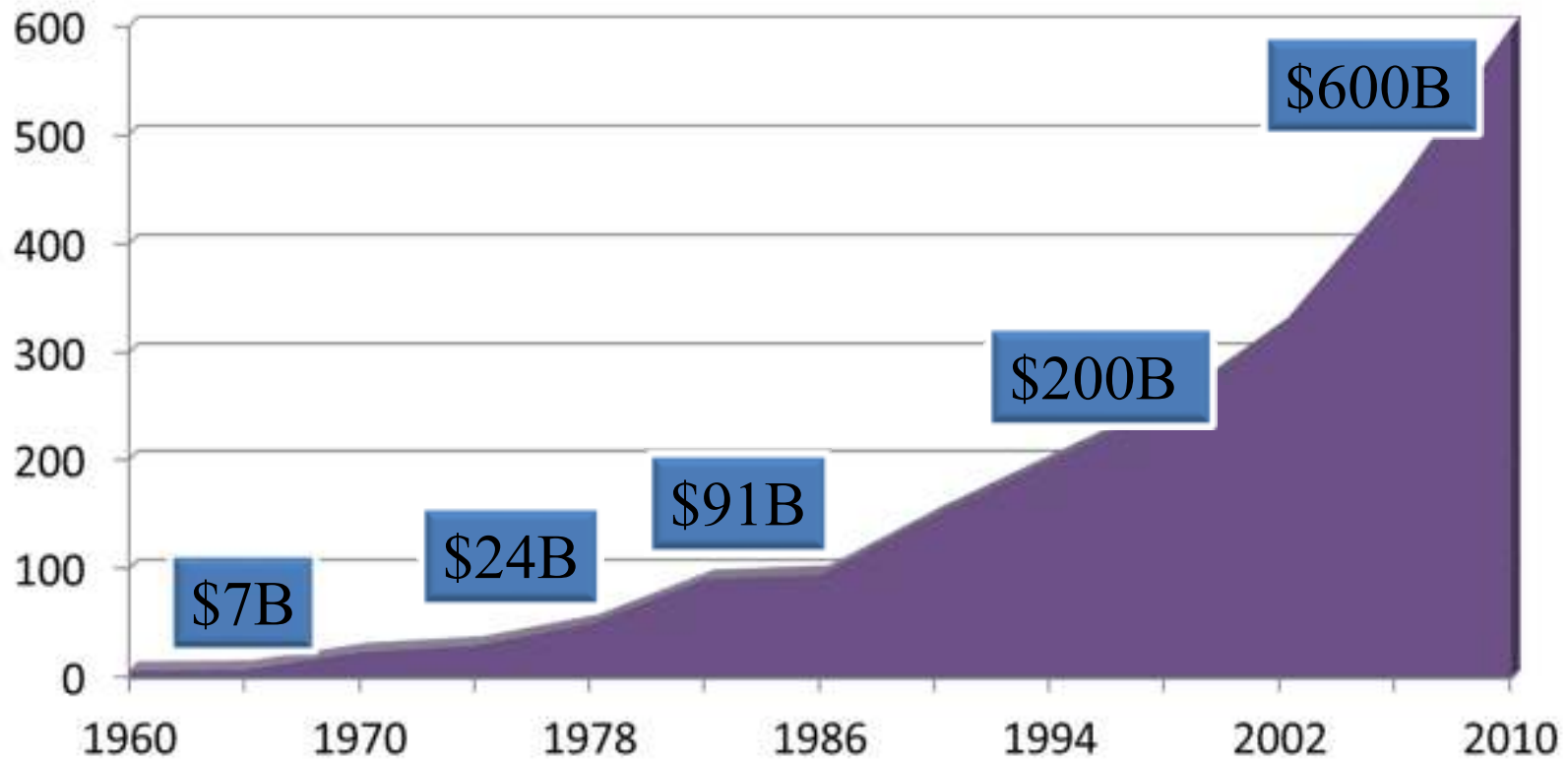


NECA Update
The New Uniform Guidance
2 CFR 200

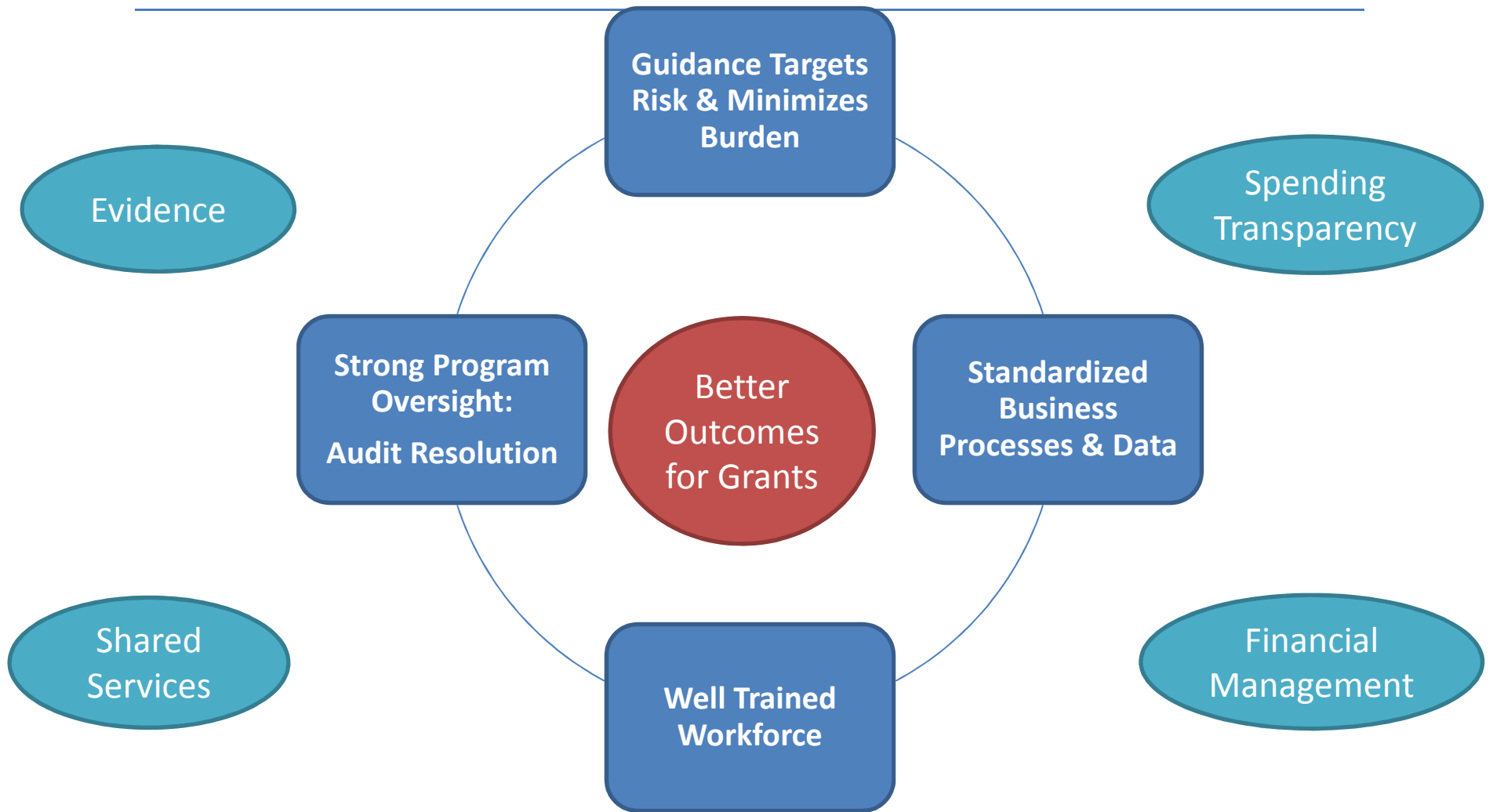
September 23, 2014

Increase in Federal Grants Activity

The Catalog of Federal Domestic Assistance lists over 2,000 Federal grant programs



Council On Financial Assistance Reform Priorities



Guidance Reform History

Nov. 2009:
Executive
Order:
Reduce
Improper
Payments

Feb 2012:
Advance
Notice of
Proposed
Guidance
(public
comments)

Dec 2013:
Final
Uniform
Guidance

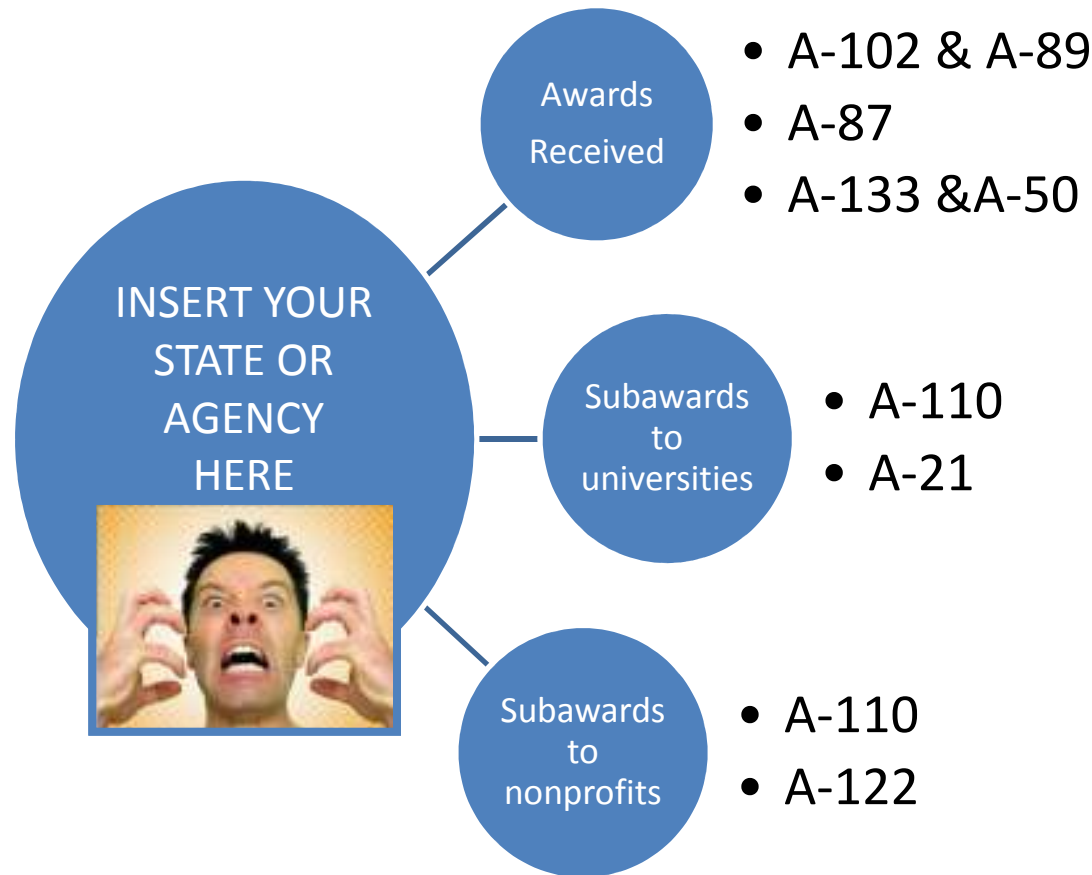
Feb 2011:
Presidential
Memo:
Reduce
Administrative
Burden

Feb 2013:
Notice of
Proposed
Guidance
(public
comments)



Eliminating Duplicative and Conflicting Guidance

Then:



Now: All OMB guidance streamlined in 2 CFR 200.





**KEEP
CALM
AND
UNDERSTAND
THE RULES**

KeepCalmAndPosters.com



2 CFR 200 -Basic Layout

- 6 Subparts A through F
 - Subpart A, 200.XX – Acronyms & Definitions
 - Subpart B, 200.1XX – General
 - Subpart C, 200.2XX – Pre Award (Federal agencies)
 - Subpart D, 200.3XX – Post Award (Recipients)
 - Subpart E, 200.4XX – Cost Principles
 - Subpart F, 200.5XX – Audit
- 11 Appendices - I through XI



TOP
10
LIST

Reforms
in
2 CFR 200 Uniform Guidance



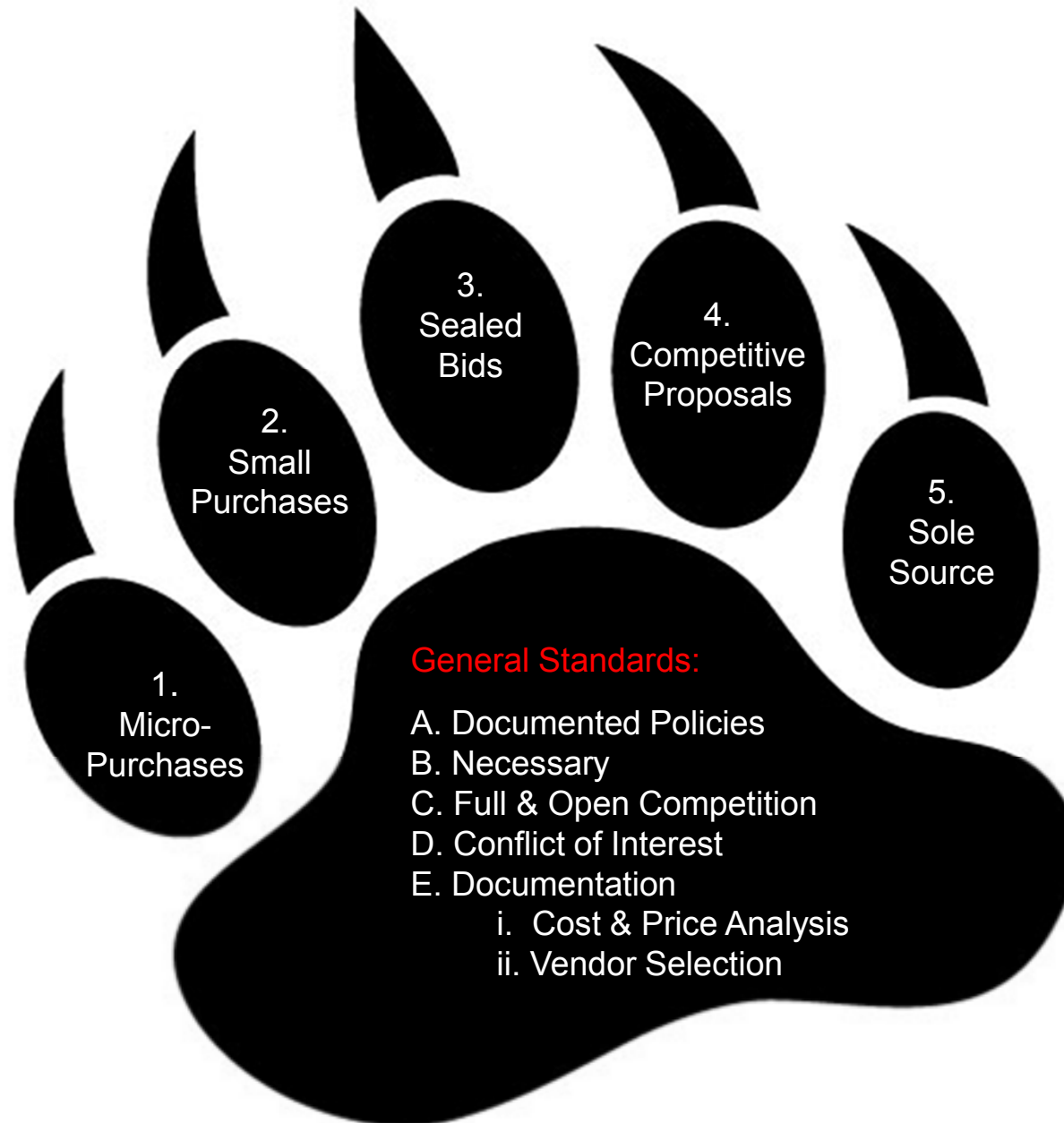
1

200.317- 200.326 – Procurement Standards

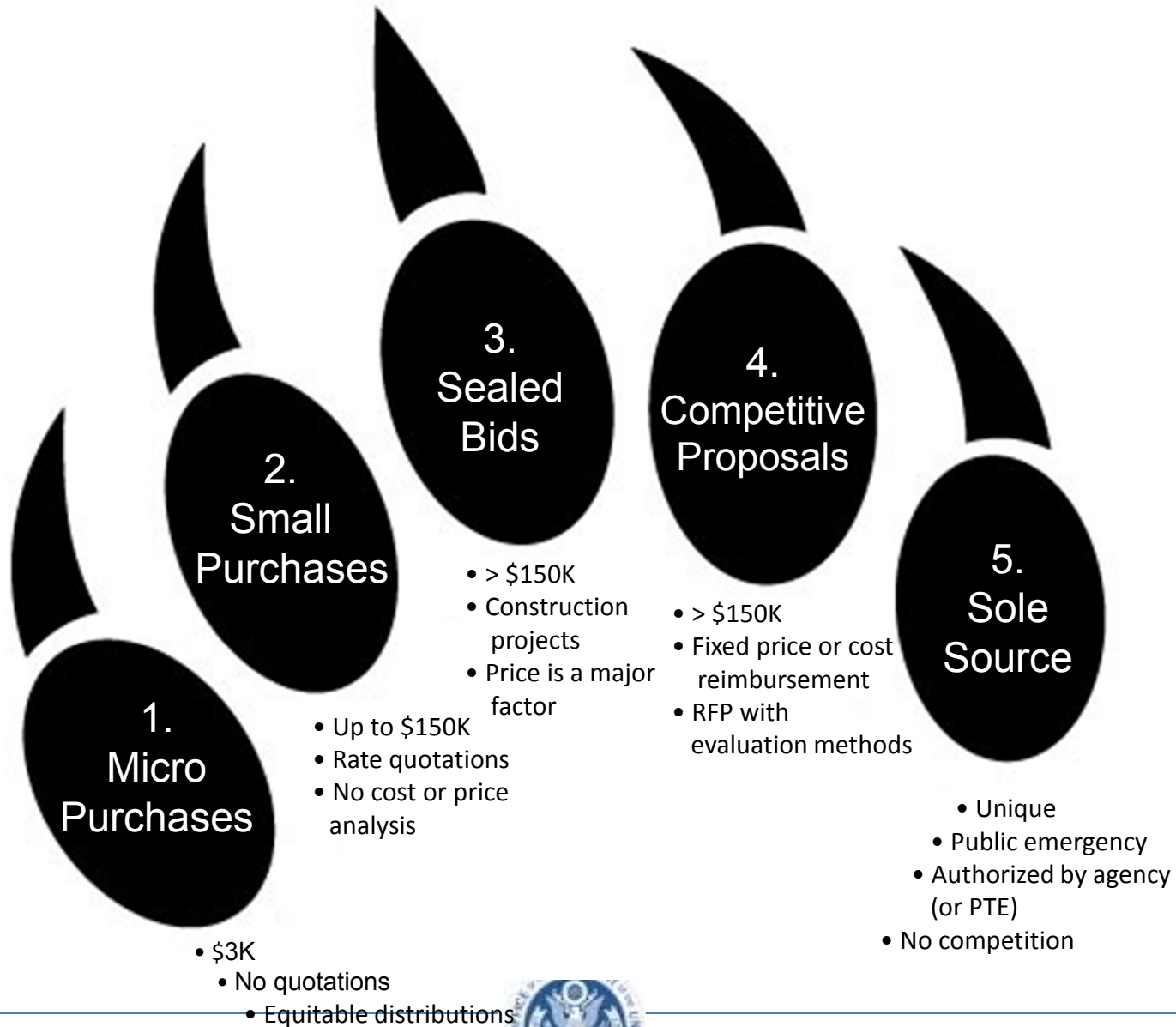
- Modeled on A-102
- States use own policy, everyone else uses standards as described



Procurement “Claw” (Sections 200.317-326)



Procurement “Claw” (Section 200.320)



2

200.303 Internal Controls

- Moved from Audit requirements
- “Must” establish and maintain effective internal controls
 - COSO and Greenbook cited as examples of best practice



3

200.112 Conflict of Interest

- Federal awarding agency must have a policy
- Non-Federal entity must disclose in writing
- Complements:
 - 200.113 Mandatory Disclosures - violations of law
 - 200.205 Federal agency review of risk posed by applicant
 - 200.513 Responsibilities- Cooperative Audit Resolution



4

Family Friendly Policies

- 200.431 Compensation- Fringe benefits – leave
- 200.432 Conferences – finding locally available care
- 200.474 Travel – dependent care costs (NOT travel costs for dependents)



5

Appendix III to Part 200 B.4.c. – Utility Cost Adjustment

- A UCA of up to 1.3% may be included in the negotiated rate:
 - Where the space is metered by function
 - Costs apportioned via “effective square footage” or actual square footage x relative energy use index



6

200.94 Supplies

- Includes computing devices under \$5,000



7

200.413 Direct Costs

- Allows direct charging of administrative staff when allocable and integral to the activity, with prior written approval



8

200.331 Requirements for pass-through entities

- Monitor based on own assessment of risk
- Provide an indirect cost rate to subrecipients



9

200.414 Indirect Costs

- Federal awarding agencies are required to use Federally negotiated rate –unless
 - Exception in statute
 - Exception transparently approved by agency head or delegate
- One-time extension of up to four years
- 10% de minimis rate for those who have never had an approved negotiated rate



10

200.430 Compensation – Personal Services (aka Time and Effort Reporting)

- Removed A-21 examples
- Internal Controls are Key:
 - *“Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.”*
- Blended and braided funds allowed, with Fed approval
- Use of institutional base salary for IHE



TOP 10 LIST

Frequently Asked Questions

(Out of 91 Total)



10

200.331 Requirements for pass-through entities

Q: If a subrecipient does not have a negotiated indirect Cost Rate, does the pass-through entity have to negotiate one?

A:No!



9

200.112 Conflict of Interest

Q: Does the requirement to have a conflict of interest policy apply to scientific conflicts of interest that might arise in the research community?

A: No!



8

200.110 Effective Dates and Incremental Funding

Q: Do I have to keep my old funding in a separate account from my new funding after the UG goes into effect?

A: No!



7

200.110 Effective Dates and Indirect Costs

Q: Can I use the UG both in generating a proposal and negotiating an indirect cost rate for my first fiscal year after 12/26/2014 when I'm due to renegotiate?

A: Yes!



6

200.110 Effective Dates and DS 2s

Q: Is it OK if my approved DS 2 does not match my actual accounting practices which have been changed in accordance with UG?

A: Yes!



5

200.431 Fringe Benefits

Q: If someone retires, are we now required to charge fringe benefits as indirect costs?

A: No!



4

200.430 Salaries and Wages

Q: Are we really allowed to eliminate time and effort reporting?

A: Yes!



3

200.320 Procurement and Strategic Sourcing

Q: For efficiency sake, may I apply the procurement standards to large shared service or strategic sourcing arrangements rather than to each pencil I purchase?

A: Yes!



2

200.320 Procurement and Sole Source

Q: If I need to acquire an item from a particular vendor to preserve the integrity of my research, may I?

A: Yes!



1

200.110 Effective Dates & 200.320 Procurement Standards

Q: Could we please have a grace period for procurement?

A: Yes!



Guidance Reform Future

December 2013:
Uniform
Guidance
Published

June 2014:
Agencies Submit
Draft Rules to
OMB, Continued
Outreach on
Implementation


December 2014:
Final Guidance
Effective, Baseline
Metrics Collected,
Case Studies of
Best Practices
Published

January-April 2014: Training
Webcasts, Publish
2014 Single Audit
Compliance
Supplement

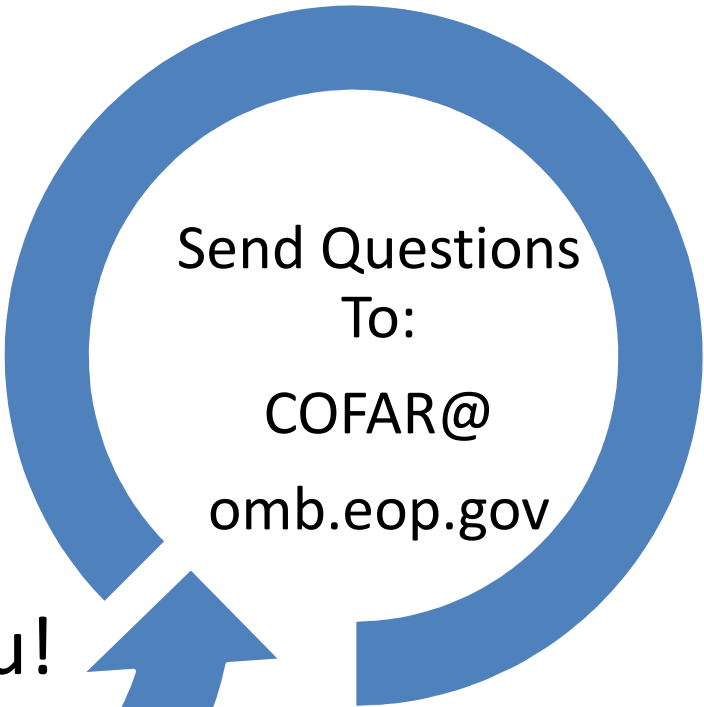
Fall 2014: Metrics,
Additional FAQs and
Webcast
***Save the Date:
October 2nd***



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Information Visit:
[CFO.gov/COFAR](https://cfo.gov/COFAR)



Send Questions
To:
[COFAR@
omb.eop.gov](mailto:COFAR@omb.eop.gov)



Thank you!





“It always seems impossible until it’s done.”
- Eleanor Roosevelt

