

**Presentation by Committee: Jim Luther, Duke University; Cindy Hope, University of Alabama; Kim Moreland, University of Wisconsin; and Dan Evon, Michigan State.**

**Overview of current timeline of COGR activities**

A. FAQ's issued 8/29/14

B. COGR Guide v 2- 9/17/14- with hot topics

C. COGR Request letters to COFAR

1. 9/26/14- Definition of MTDC and Use of term subcontract vs. vendor agreement.

2. 10/9/14- Incorporate technical corrections based on FAQ's into final version.

3. 10/10/14- Request for change in DS-2 threshold to \$50 M of CAS covered contracts. Would leave only 12-13 schools with requirement to file DS-2.

4. Early November- meeting with COFAR re: technical corrections.

D. Post COGR meeting compilation of meeting presentations and results will be right after the 10/23-10/24 meeting, possibly in the form of a checklist.

F. All five components and seventeen processes must be working together

G. A-133 audit- will not be a COSO- Internal Control audit- still a financial audit unless something in the scope or findings warrants an internal control review

**COGR's Top 15 Focus areas (UGTC - Uniform Guidance Technical Correction - to be requested by COGR)**

A. **200.110**- Effective Date

B. **200.112**- Conflict of Interest- procurement- not for objectivity of research

C. **200.303**- Internal Controls- must vs. should language. (UGTC)

D. **200.306**- Cost Sharing- include 2001 OMB VUCS (Voluntary Uncommitted Cost Sharing) language (UGTC)

E. **200.307**- Program Income- royalty income included? (UGTC)

F. **200.317-326**- Procurement. Effective 7/1/16 (6/30 schools) and 10/1/16 (9/30 schools). COGR will partner with FDP.

G. **200.331**- Sub recipient monitoring- new burdens

H. **200.332**- Fixed Award Sub awards (UGTC)

I. **200.343**- Closeouts- new opportunity from 90 days to 120 days (UGTC)

J. **200.413**- Direct Costs- etc. (will be addressed more in detail at Friday's session)

K. **200.414**- Indirect Costs- 4 year extension, 1.3 UCA (Utility Cost Adjustment) Meet with ONR and CAS on these two issues (see below)

L. **200.419**- CAS & DS2 - 11<sup>th</sup> hour push but cautiously optimistic (see C.3- above) (DS-2 not CAS/ONR priority- the current DS-2 format will not work after 12/26/14- would have to update for UG references)

M. **200.430**- Compensation & Personal Services- Effort Reporting – opportunity and challenges, possible name change- payroll management system and FDP pilots

N. **200.436**- Depreciation- per FAQ's, clarification of institution's contribution as allowable

\*\* Estimated release of Uniform Guidance with technical corrections included, if OMB agrees to- probably Dec 12-14, maybe Dec 1 but more liked closer to Dec 26. \*\*

**Internal Control**

A. Applies to all reporting not just financial reporting

B. Four principles- Control environment, Risk Assessment, Information and Communication and Monitoring

C. Conform to COSO and Green Book guidelines

D. Deficiencies- can be control, significant or a material weakness

**Effort Reporting**

A. Name change to Payroll Management System or something different

B. Definition of Institutional base salary is important. Review DS-2 for definitions

C. Systems range from electronic, value add on or manual

D. Dave Kennedy said not to rely on the payroll cert projects through FDP as they may not be the end result but the start of a conversation as to how it can apply to other institutions

**Indirect Cost Issues-/ DS-2 Statements (per meeting with ONR (Debbie Rafi and Linda Shipp), CAS (Steve Zuraf, Darryl Mayes, Mak Karim and Mike Leonard)**

**A. Rate extensions-**

1. Can extend a rate that was calculated and negotiated less than 2 CFR Part 220. 1-4 years
2. **ONR-** 1 year extension could be by letter only, 2 year extension maybe by letter only, 3-4 year extension- see documentation to be requested by CAS, below
3. **CAS-** Will need to submit the following: Last A-133 audit, last audited financial statements, schedule of base and space from last rate proposal vs. for extension vs for entire upcoming rate period
4. Both ONR and CAS recommended contacting your branch chief or ONR contact prior to submission of any documentation
5. Also recommend not waiting to submit extension requests until 10/31 date, even though they will not be looking at until after 12/26/14- UG effective date.

**B. UCA (Utility Cost Adjustment)-**

1. **Already have the UCA-** CAS- include as usual without any supporting documentations. ONR- must include supporting documentation same as will be required for new UCA applications
2. **Want to apply for the UCA** – separate schedule showing how UCA is calculated and the space used
3. Both agencies looking into the use of template they will develop. ONR more interested in.

**C. Base Year**

1. **ONR-** States that UG applies to first fiscal year after 12/26/14, which would be FY16 rates and therefore FY14 schools should be submitting under UG (differs from what Debbie told me informally after NAACA- SECA meeting)
2. **CAS-** sounds like is more of an option not a requirement

**Procurement –**

- A. One year delay- June 30 schools (7/1/16) and Sept 30 schools (10/1/16)
- B. Large area for potential negative impact.
- C. Issues with state requirements and P cards vs \$3,000 micro purchases and awards between \$3,000 and \$150,000 using small purchase requirements