

FDP (FEDERAL DEMONSTRATION PARTNERSHIP) – May 12-13, 2014**Plenary - Implementation of Uniform Guidance on Admin Requirements (May 12, 2014)**

- **High Level Overview** – OMB to review federal agency implementation guidelines. OMB's current focus- OMB may comment back in I Fall/Winter. Federal agencies trying to assist but don't always have all the metrics they need to evaluate. Two sets of policies and two sets of regulations - the before and after 12/26/14 problem. Will two sets of award numbers be required? Consideration of extensions of grace periods. Carve outs for IHE may be easier to implement. Hot issue. **Short Form Schools** – FDP to develop repository of resources to assist them in implementation due to staffing limitations.
- **200.419 - Cost Accounting Standards & Disclosure Statement (DS-2)** – Several issues surrounding 200.419 (b)(1) where IHE (Institutions of Higher Ed) must file amendments six months in advance of a disclosed practice being changed. Can the submission be made earlier than six months? Some changes in the new Uniform Guidance require cost accounting changes. How will these be handled in the DS-2? Will there be out of compliance issues? Can a template to standardize submissions for DS-2's be developed? **Per Debbie Rafi at ONR-** Depends how the DS-2 is written. Debbie says looks at section 2.0 with UG; she views this as clarification more than change. Issue with HHS review process but not ONR - ONR is looking at streamlining the internal review process, more commercial entity methodology. Need to justify unlike circumstances.
- **200.417- Required Prior Approvals** – Affects various sections including participant support, unrecovered F&A to meet cost sharing requirements, direct charging of clerical/admin, the intent was there that if it was included in the budget than it was approved.
- **200.303 - Internal controls** – Basically, a non-federal entity must establish and maintain effective internal control over federal awards. OMB clarification not anything new, but guidance is that IHE SHOULD be following internal control not a MUST.
- **200.320 - Methods of Procurement** – New regulations for micro purchases does finally provide some guidance – a purchase card is a big issue if the limit is higher than \$3,000 - does this also apply to purchases in indirect pools as well as direct bases? Refer to- "Is it Pilot Worthy" section below.
- **200.330 - Sub-recipient Monitoring** – Determinations of whether a non-federal entity is a recipient, sub-recipient or contractor per terms of this section. Agency can require separate guidelines by agency to determine classifications of sub-recipients. Agency approval for fixed price sub awards. No relief immediately on audit reviews. Higher audit threshold from \$500,000 to \$750,000 results in more sub-recipients who will be without A-133 audits. Want to eliminate for additional requirements for vendor contract blanket approval.
- **200.430 - Compensation - Personal services** – Specifies criteria that include reasonableness for the services rendered. No mention of certification - ask federal agencies to affirm FDP payroll cert project certification is sufficient. ONR trying to get Payroll Cert FDP project wrapped up, will probably be Fall not Summer. Institutions might want to move forward but others may want to wait until Payroll Cert HHS/NSF audits are done.

- **200.431- Compensation - Fringe Benefits** – For non-federal entity on cash basis of accounting, cost of leave is recognized in the period the leave is taken and paid for. Payments for unused leave when an employee retires or terminates are allowable as indirect costs in the year of payment. Not in proposed guidance, concern about how, where and when it is charged and if it is being inequitable by project and type of account. Can only charge to capped indirect pool if on a cash basis. Also potential problem with the DS-2 change. Some IHE want to add increment to Fringe Benefit rate or include in their current Fringe Benefit rate. However, both may be cost accounting changes. To be discussed with OMB/COFAR re possible grace period or extension. Per Debbie Rafi, ONR - under 2 CFR Part 220, it was better as a direct cost, the problem under indirect provisions is it creates out of cycle challenges with fringe vs F&A. How to change to accrual, lead time and DS-2 changes are a real issue.
- **Equipment (200.313)** – Requirements regarding use and title: conditional title - not new but clarification that equipment should move with PI when they transfer to a different university. New data elements – FAIN (Federal Award Identification Number), use, fed participation in project costs.

Administration Subcommittee – NIH- SubAcct Reporting (May 12, 2014)

- **90 day closeout deadline – subaccounts.** Transition to PMS subaccounts - from pooled accounts to subaccounts at 9/30/15 per NIH. Will end up with additional FFR's. Drafted guide notice - subaccount transitional FFR - may line up with annual FFR. Can include unliquidated allocations in subaccount transitional FFR - committed to not expended

Plenary-FDP News/Updates - Federal Agency Updates Session (May 12, 2014)

- **FDP** – More than 165 institutions in total 42 applicant new membership institutions - accepted 38, 24 ERI for Phase VI. 400 + attendees this meeting. Only on non –UG plenary session so concentration is on UG.
- **Federal update - Debbie Rafi**
 - A. **NSF** - Jean Feldman – Two requested deviations to UG Limitation to two months' salary compensation for faculty & an alternative to the FFR(Federal Financial Report). Posted their intent to the federal register - 60 days to comment on NSF implementation. Document on their website regarding the transition from NSF Fastlane to Research.gov. Their method of implementation will be different & was approved by OMB - substance will be the same.
 - B. **NIH** - Michelle Bullis - All comments geared towards grant administrators
 - C. **NASA** - not in attendance
 - D. **GSA** - Judith Zawatsky - does IT and data collection - issues with acceptance of data/flags
 - E. **GUIRR** - Susan Sloan - not federal agency - separate advisory group re: R&D
 - F. **EPA** - no updates
 - G. **USDA** - working on their implementation for October
 - H. **Farm Bill** - Erin Daly - Non land grant institutions need to be certified as such; same applies to land grant institutions, public institution with agriculture – new exclusions
 - I. **DHS** - Andrea Brandon- working on closing out audits- challenging leadership changes
 - J. **AFOSR** - General Update
 - K. **USAMRAA** - US Army medical research-grant funding /special interest funding i.e. breast cancer

Administrative Burden Subcommittee - Procurement Standards (200.319-320): Is it Pilot Worthy? (May 13, 2014)

- ONR Contractor Purchasing System Review (CPSR) - are contractor purchasing systems set up correctly to account for and effect purchases on federal contracts? ONR programs for greater than \$25 million for federal purchases in total, not just grants. 32 Universities are eligible – 7-10 are done each year.
- Can we demonstrate that the new requirement will have a negative impact on federally funded research awards - longer lead times, more documentation requirements?
- Institutions may self- certify their procurement systems per new Uniform Guidance – but doesn't that increase their risk?
- One FDP group would look at micro purchases, another group look at self-certify purchase systems, third group on how to approach OMB.

Uniform Guidance - What Researchers need to know (May 13, 2014)

- **Section on Uniform Guidance Implementation Plan for Universities-** Need expectations clarified up front. University wide steering committees – review of policies, procedures, training at the subcommittee level, costing, pre & post award, one FTE position for UG Implementation Coordinator. Considerations for treatment of changes in cost sharing, effort reporting, direct charging of admin costs, participant support, etc. New financial certification in 200.4

Next meeting- Grand Hyatt Hotel - Washington DC (September, 11-12, 2014)