



UCI Forum

on

The Uniform Guidance (2 CFR 200)

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The Uniform Guidance



- Agenda
 - Brief history of the development of the Uniform Guidance
 - Brief description of its scope
 - Important dates
 - UCOP's approach to the implementation
 - UCI's approach to the implementation
 - Uniform Guidance Highlights / Significant Changes
 - What PIs need to know
 - Questions

The Uniform Guidance: History



- The Uniform Guidance resulted from two documents issued by the President:
 - The November 23, 2009, Executive Order 13520 on *Reducing Improper Payments* and the February 28, 2011, Presidential Memorandum on *Administrative Flexibility, Lower Costs, and Better Results for State, Local, and Tribal Governments*
- The Office of Management and Budget (OMB) issued two calls for comment on this grant reform
 - A Request for Information in July of 2011
 - An Advance Notice of Proposed Guidance in February 2012
- The Final Rule was published in the Federal Register on December 26, 2013

The Uniform Guidance: Scope



- The Uniform Guidance is a massive document that synthesizes and replaces eight previous circulars:
 - A-21 Cost Principles for Educational Institutions
 - A-87 Cost Principles for State, Local and Indian Tribal Governments
 - A-122 Cost Principles for Non-Profit Organizations
 - A-110 Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations
 - A-102 Grants and Cooperative Agreements With State and Local Governments
 - A-133 Audits of States, Local Governments and Non-Profit Organizations
 - A-50 Audit Followup
 - A-89 Catalog of Federal Domestic Assistance

The Uniform Guidance: Scope



- The Uniform Guidance attempts to streamline and harmonize the various circulars
 - Many sections will be very familiar since the language was lifted from the circulars that we know (A-21 & A-110)
 - Some sections will appear new since they were lifted from one of the other circulars
 - e.g. §200.317- §200.326 Procurement
 - A few sections are new or significantly altered from the original text
 - e.g. § 200.331 (4) Requirements for pass-through entities; use of the 10% MTDC *de minimus*

The Uniform Guidance: Important Dates



- The Final Rule was published on December 26, 2013
 - Federal agencies were required to submit their implementation of the Uniform Guidance to OMB on June 26, 2014 with the final versions published no later than December 26, 2014
 - To date, only NSF has published their implementation plan
 - The Council on Financial Assistance Reform (COFAR) recently clarified their FAQs and confirmed that the procurement rules (§200.317- §200.326) have been delayed until July 1, 2016

The Uniform Guidance: Important Dates



- The Uniform Guidance will be effective as of December 26, 2014 for new and continuing awards as well as proposals submitted on or after that date.
- Subpart F Audit Requirements are effective the first full fiscal year after the effective date
 - For UCI that would be Fiscal Year 2016

The Uniform Guidance: Important Dates



- UCOP convened a workgroup (the Uniform Guidance Workgroup, UGWG) comprised of campus and OP representatives in the fields of pre- and post-award administration, costing policy, audit, purchasing and equipment management
- The UGWG has been meeting regularly since January 2014 to review and formulate a plan regarding implementation of the Uniform Guidance
- A draft analysis report was distributed on October 6, 2014 for campus input and comment
- A final report was issued on December 5, 2014

Uniform Guidance: UCOP's Approach



- **Phase One (Jan – Dec 2014)**
 - Assess & analyze the Uniform Guidance
 - Inform the campuses and share approaches
 - Determine key issues/approaches to inform and engage local campus constituencies.
 - Issue interim guidance, as needed
 - Issue Assessment document
 - Identify major issues and areas where system-wide guidance or policy will need to be updated.
- **Phase Two (Jan – June 2015)**
 - Update guidance & policies, as needed
 - Update training & support, as needed
 - Issue system-wide guidance, where appropriate, and/or begin work to update policies, as needed
- **Phase Three (Jul – ~Dec 2015)**
 - Update support systems, as needed
 - Other long-horizon actions needed



UCI UG Executive Committee

Office of Research

- John C. Hemminger, Vice Chancellor for Research

Administrative & Business Services

- Wendell Brase, Vice Chancellor , Administrative & Business Services

Budget Office

- Meredith Michaels, Vice Chancellor--Planning & Budget



UCI UG Steering Committee

Administrative & Business Services

- Paige Macias, Associate Vice Chancellor
- Bent Nielsen, Assistant Vice Chancellor & Controller, Accounting and Fiscal Services

Budget Office

- Rich Lynch, Associate Vice Chancellor - Planning & Budget

Office of Research

- Mark Warner, Associate Vice Chancellor for Administration
- Bruce Morgan, Assistant Vice Chancellor for Research Administration
- Nancy Lewis, Director, Sponsored Projects Administration

Uniform Guidance: UCI UG Workgroups



UCI Uniform Guidance Workgroup	Chair/Co-chair	Unit/s	
A. Allowable/Unallowable Direct Costs	Rich Lynch	Budget	
B. Procurement (Includes COI)	Rick Coulon	M&RM	
C. Equipment	Helen Chang	M&RM	
D. Subawards (include subrecipient monitoring)	Nancy Lewis	OR - SPA	
E. Facilities and Administration Costs	Rich Lynch/Bent Nielson	Budget; C&G Accounting	
F. Prior Approvals	Rich Lynch/Bent Nielson	Budget; C&G Accounting	
G. Pre-award: Mandatory Disclosures	Nancy Lewis	OR - SPA	
H. Internal Control	Bent Nielsen	Accounting	
I. Financial Management and Reporting	Rich Lynch/Bent Nielson	C&G Accounting; Budget	

Uniform Guidance: Highlights



- General notes
 - The Uniform Guidance requires recipients of federal assistance funds to maintain effective internal controls – this requirement is foundational concept that runs throughout the UG.
 - There is an emphasis on performance and transparency
 - A (very) clear distinction made between “should” (a best practice) and “must” (a required action)
 - There is a move away from examples of processes (which can be seen by the audit community as prescriptive) to descriptions of the desired result
 - e.g. a robust system to document compensation rather than a detailed example of effort-reporting
 - **Though these changes have resulted in greater administrative flexibility for us, they also create greater responsibility in maintaining internal controls**

Uniform Guidance: Highlights



- §200.301 Performance Management
 - Federal awarding agencies must require recipients to use OMB-approved standard government-wide information collections to provide financial and performance information.
 - Recipients must be required to relate financial data to performance accomplishments, and must also provide cost information to demonstrate cost effective practices.
 - However, for the research community, the standard OMB-approved information collection for performance is the Research Performance Progress Report that does not relate financial information to performance data, and exempts research institutions from this requirement.

Uniform Guidance: Highlights



- §200.303(e) Internal Control for sensitive information – safeguard Personally Identifiable Information (PII)
 - The Uniform Guidance explicitly requires non-Federal entities to take reasonable measures to safeguard PII
 - UCI plans to review its policies and procedures to determine whether existing policies and/or controls need to be strengthened, or if new policies and/or controls need to be created to ensure compliance

Uniform Guidance: Highlights



- §200.314, Supplies:
 - Residual Supplies: The Uniform Guidance provides that the federal government must be compensated for its share of “unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program” if the supplies are not needed for any other federal award. The key word is “unused.”
 - Any computing device purchased with award funds for less than \$5,000 should have been “used” during the course of the award, so the provision would not apply.
 - *NOTE: While computing devices still need to be tied to the aims of the project, they do not have to be used exclusively on the funded project to be considered a direct cost*

Uniform Guidance: Highlights



- §200.330 Subrecipient and contractor determinations
 - Explains the roles of subrecipients (who contribute to the purpose of the federal award) and contractors (formerly called “vendors”, and who provide goods and services for the non-Federal entity) so that the non-Federal entity can determine the relationship and the applicable requirements
 - What the sub agreement is called (“subaward”, “agreement,” or “contract”) does not matter; the relationship of the subrecipient to the non-Federal entity is the basis for determining the appropriate requirements
 - While not a complete change, the Uniform Guidance harmonizes the definitions and actions between the sections
 - The requirement for a case-by-case determination of the relationship should be documented and that *may* increase the administrative burden

Uniform Guidance: Highlights



- §200.331 Requirements for pass-through entities
 - Subrecipients must be monitored to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward
 - The Uniform Guidance provides recommendations, but does not specify how the pass-through entity should conduct that monitoring
 - Any monitoring would need to comply with the overall need for sufficient internal controls to meet the requirements in this section
 - Pass-through entities must honor subrecipient negotiated F&A rate or use 10% *de minimis* rate, or negotiate one with the subrecipient

Uniform Guidance: Highlights



- §200.332 Fixed amount subawards
 - The uniform guidance allows for the use of fixed amount (fixed-price) subawards but:
 - Only with the prior approval of the Federal awarding agency
 - Only up to the Simplified Acquisition Threshold (\$150,000)
 - Prior approval may be inferred if the intent is included in a proposal submission and awarded
 - The \$150,000 cap may be problematic for some projects

Uniform Guidance: Highlights



- §200.343 Closeout
 - Campuses must complete final reporting, invoicing, and cash draws within 90 days of the end of the performance period or risk not being able to recover funds expended
 - Although this requirement is not new, the Uniform Guidance codifies it and imposes a hard stop to adjustments
 - This could prove challenging in the management of subawards

Uniform Guidance: Highlights



- §200.344 Post-closeout adjustments and continuing responsibilities
 - Revised language in the Uniform Guidance adds the requirement that the Federal awarding agency or pass-through entity must make any cost disallowances and notify the non-Federal entity within the record retention period
 - Guidance in A-110 did not have a time frame during which this must happen

Uniform Guidance: Highlights



- §200.407 - Prior Written Approval
 - Provides a one-stop comprehensive list of the circumstances under which non-Federal entities should seek prior approval from the Federal awarding agency

Uniform Guidance: Highlights



- Prior Approval: §200.308 Revision of budget and program plans
 - *(3) The disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator*
- "Absence" is replaced with "disengagement"
 - A PI can be away from campus and remain engaged in the project
 - This change in the language allows for more flexibility in when prior approval is needed
 - However, this could also result in increased monitoring of the PI's contact with a project when away from the campus for extended periods

Uniform Guidance: Highlights



- §200.413 – Direct Costs (c) Salaries of administrative and clerical staff
 - The Uniform Guidance allows for the direct charging of administrative and clerical salaries, so long as certain conditions are met:
 - Administrative or clerical services are *integral* to a project or activity;
 - Individuals involved can be specifically identified with the project or activity
 - Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency
 - The costs are not also recovered as indirect costs
 - A justification should be included in proposals that addresses the criteria above to facilitate the required agency approval for these charges
 - Any post-award addition of administrative salaries to a budget would require prior written approval of the funding agency



- §200.456 – Participant Support Costs
 - Now a federal-wide concept
 - Defined as direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects
 - Participant support costs will be an exclusion in the MTDC base

Uniform Guidance: Highlights



- §200.461 Publication and printing costs
 - The Uniform Guidance provides institutions additional flexibility to charge Federal awards after the performance period for page charges in professional journals
 - This may require a system/procedure change to allow costs to post to an award after the performance period
 - Late charges can create issues for meeting 90 day closeout requirement for Federal awards

Uniform Guidance: What PIs Need to Know



- **Allowable/Un-Allowable Direct Costs**
 - Uniform Guidance (UG) defines direct costs as those costs that can be identified specifically with a particular final cost objective or sponsored agreement. For costs to be directly charged to federal awards they must be allowable, reasonable and allocable to the award.
 - Uniform Guidance has changed the treatment of certain costs as allowable direct charges to federal awards. The changes in the UG have provided more flexibility for charging a number of cost items than previous federal guidance, but certain items of cost are now more restrictive than current federal rules.

The Uniform Guidance: UCI PHASED IMPLEMENTATION



Sample Document for Updates

GUIDELINES FOR DIRECT CHARGING SPONSORED PROJECTS UNIVERSITY OF CALIFORNIA, IRVINE

Expense Category	Description of Typical Expenses	Treatment*	A-21 Reference																				
Administrative and Clerical Salaries and Wages	<p>The following list (which is not all inclusive) represents the most common, routine administrative and clerical activities that are considered F&A and should not be charged to sponsored projects since they cannot be identified with a specific project relatively easily:</p> <table border="0"> <tr> <td>general departmental administration</td> <td>newsletter/brochure preparation</td> </tr> <tr> <td>personnel functions</td> <td>maintaining general departmental databases</td> </tr> <tr> <td>accounting and budgeting functions</td> <td>correspondence/report preparation</td> </tr> <tr> <td>travel planning</td> <td>space management</td> </tr> <tr> <td>processing and tracking purchase orders</td> <td>equipment inventory</td> </tr> <tr> <td>purchasing</td> <td>contracts and grants administration</td> </tr> <tr> <td>payroll/human resources</td> <td>proposal budget preparation</td> </tr> <tr> <td>bookkeeping</td> <td>regulatory committee requirements</td> </tr> <tr> <td>financial monitoring</td> <td>(human subject oversight, IRB preparation, etc.)</td> </tr> <tr> <td>reconciling accounts/ledgers</td> <td></td> </tr> </table>	general departmental administration	newsletter/brochure preparation	personnel functions	maintaining general departmental databases	accounting and budgeting functions	correspondence/report preparation	travel planning	space management	processing and tracking purchase orders	equipment inventory	purchasing	contracts and grants administration	payroll/human resources	proposal budget preparation	bookkeeping	regulatory committee requirements	financial monitoring	(human subject oversight, IRB preparation, etc.)	reconciling accounts/ledgers		Not Chargeable F&A	F.6.b
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financial monitoring	(human subject oversight, IRB preparation, etc.)																						
reconciling accounts/ledgers																							
<p>Administrative support that is significantly greater than routine level of support provided to every project due to the nature of the project being conducted can be charged directly to sponsored projects if the project meets the federal criteria of a Major Project.</p> <p>Examples of activities in support of major projects:</p> <ul style="list-style-type: none"> • competitive and complex procurement (e.g., equipment, services, fabrication) • conducting a telephone survey • coordinating and managing a high number of consultant contracts/subcontracts • coordinating extensive travel and meeting arrangements • extensive data entry • extensive research accumulation • extensive interviewing (e.g., human subjects, data collection) • managing projects with multiple sites • planning and organizing large conferences • preparing manuscripts/publications beyond the routine • extensive administrative activities in support of related projects 	Direct																						

Uniform Guidance: What PIs Need to Know



- **Participant Support Costs**

- Participant support costs (see § 200.75) are allowable with agency prior approval. This includes stipends or subsistence allowances, travel allowances and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects. Participant support costs are not routinely allowed on research projects but can be charged if the project includes an education or outreach component and the agency approves such costs.
- To minimize delays in award processing or incurring these expenses for Awards subject to the UG, these costs should be explicitly listed in the proposal budget and fully justified in the budget justification. Otherwise, prior approval will be required by the funding agency after the award is made.
- These costs were previously subject to Indirect Cost but are now an excluded category and therefore should **NO LONGER** be included in the Base when calculating the indirect cost for proposal budgets.

Uniform Guidance: What PIs Need to Know



- Computing Devices

- Computing devices costing less than \$5,000/unit may be direct charged to the project or activity under the following circumstances:
 - The devices are essential* and allocable to the project in that they are necessary to acquire, store, analyze, process, and publish data and other information electronically, “devices” include accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information.
 - The project does not have reasonable access to other devices or equipment that can achieve the same purpose; devices may not be purchased for reasons of convenience or preference.

* PIs are responsible for determining whether or not the device is “essential” and to what extent the cost of the device is allocable to the sponsored project. PIs and departments should maintain documentation that describes how the proposed computing device meets the above requirements.

Uniform Guidance: What PIs Need to Know



• Administrative & Clerical Salaries

- Administrative and clerical costs may now be charged as direct costs to federal proposal budgets under certain (new) circumstances. When added, these costs should be fully justified in the proposal budget justification.
- These costs were previously “normally treated as indirect cost” but could be included as direct costs under certain circumstances when a “major project or activity” was contemplated. Going forward, administrative and clerical salaries should still (generally) not be direct charged, but the rules governing “major project or activity” exceptions have been dropped and replaced by the following criteria, all of which must be met:
 - Administrative or clerical services are integral to a project or activity;
 - Individuals involved can be specifically identified with the project or activity;
 - Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency; and
 - The costs are not also recovered as indirect costs.

If all of these requirements are met, PIs/departments should add a new statement to the budget justification section of proposals to facilitate the required agency approval.

Uniform Guidance: What PIs Need to Know



- **Programmatic Salary Costs**
 - Costs related to protocol development and maintenance, managing substances/chemicals, managing and securing project-specific data and coordination of research subjects are allowable direct costs when they are “contributing and directly related to work under an agreement.” Thus, these programmatic costs may be direct charged using the same underlying requirements as other types of direct costs, and are not subject to the prior approval requirements necessary for administrative and clerical costs.

Uniform Guidance: What PIs Need to Know



- Publication and Printing
 - Costs related to publication or sharing of research results can be charged to a federal award after the period of performance but before the end of the 90-day closeout period.

Uniform Guidance: What PIs Need to Know



- Visas

- The UG provides for consistent treatment of visa costs across federal funding agencies as a recruiting cost. This is consistent with current NIH regulations, which allow for visas to be an allowable direct charge as part of the recruiting costs of individuals paid on the federal award.
- The UG allows short-term, non-immigration visa costs for a specific period and purpose as direct costs on federal awards if these costs are critical and necessary and clearly identified as directly connected to the work performed on the federal award.
- Because this is being classified as a recruiting cost, only the initial visa cost is allowable. J1 and H1B visas are for a specific period and purpose; therefore, these visa types are generally allowable if the specific conditions are met.

Uniform Guidance: What PIs Need to Know



- Equipment and Capital Expenditures
 - General-purpose equipment must be pre-approved.
 - If the possibility exists that equipment needs to be shipped back to the government or another agency, funds should be reserved in the award for such costs, prior to closeout, or be allowable additional costs (since awards typically close before final resolution of equipment issues is made).

Uniform Guidance: What PIs Need to Know



- Subawards

- If a fixed-price subaward is desired, this needs to be articulated in the proposal budget and/or justification at the proposal stage. Another option is to seek approval from the federal awarding agency at the award stage. (Note: This may delay issuance of the subaward.)
- (New) Certification of completion at end of fixed subaward: PIs must secure from subaward entities at the end of the subaward, written certification indicating that the project or activity was completed or the level of effort was expended. If the required level of activity or effort was not carried out, the amount of the federal award (subaward) must be adjusted. Likewise UCI will need to provide a similar certification in instances where UCI receives a fixed price subaward.

Uniform Guidance: What PIs Need to Know



- Subawards

- Subawards cannot be terminated without first providing a notice of termination. Additionally, if the termination was due to the non-federal entity's non-compliance, the notification must state that the termination may affect future applications.
- UG § 200.340's contains a new reporting requirements, which will likely result in information about a PI's poor performance or failure to comply with federal law or the terms and conditions of the award being disseminated to other federal agencies.
- PIs must now carefully monitor and accurately report performance of their subrecipients. Note that that poor performance of your subawardees will be reported via the federal website, which is viewable by the general public. This is a mandatory federal requirement.

Uniform Guidance: What PIs Need to Know



- Subawards / Subrecipient Monitoring
 - Department Administrators should call PIs' attention to new certifying language that should appear on subaward invoices and make sure that PIs understand that their award could be at risk if they sign an invoice authorizing payment of funds to a subrecipient without first thoughtfully evaluating the subrecipient's progress.
 - § 200.305 requires payment of subawardees' invoices, for cost reimbursable subawards, to be paid within 30 days of receipt of invoice — "When the reimbursement method is used, the Federal awarding agency or pass-through entity must make payment within 30 calendar days after receipt of the billing, unless the Federal awarding agency or pass-through entity reasonably believes the request to be improper."

Uniform Guidance: What PIs Need to Know



- Facilities and Administrative Costs
 - It is inappropriate to reduce IDC on federally funded awards.
 - If a subrecipient already has a negotiated F&A rate with the federal government, the negotiated rate must be used. It is not permissible to force or entice a proposed subrecipient without a negotiated F&A rate to accept less than the *de minimis* rate.
 - If a federal program has a published statutory F&A cap, that rate must be used both by UC and all of its subrecipients. For all other federal programs, if a subrecipient has a federally negotiated F&A rate, it must be used. If the entity does not have a negotiated F&A rate, a 10% *de minimus* F&A rate may be used instead. (Note: This is UCI's elected option).
 - There is no change to UC's recovery of its Federal Negotiated F&A Rate and in particular, in instances where UC is a subawardee.

Uniform Guidance: What PIs Need to Know



- Cost Sharing
 - Voluntary Committed Cost Sharing is NOT expected in any federal proposal.
 - Cannot be used as a factor for merit review; maybe considered if it is both IAW Agency Regulations AND specified in the funding opportunity
 - Using the unrecovered indirect costs (when solicitation limits recovery of indirect costs to less than the full negotiated rate) to offset cost-share component in proposals that require mandatory cost-sharing calls for agency prior approval. If this is included in proposal budgets, it must be specifically requested in the budget and clearly noted in the justification section.

Uniform Guidance: What PIs Need to Know



- Prior Approvals
 - §200.407 of UG provides a list of circumstances that require prior written approval of the federal entity (awarding agency or cognizant agency) before such action can be taken by the campus. Many of the prior approval requirements outlined in this section UG are not new and have not changed from previous circulars. The list below focuses on those requirements that are new or have changed.

Uniform Guidance: What PIs Need to Know



- **Prior Approvals**

- Program Income: If a project generates program income, and the PI wishes to use it (to carry out the purpose of the award), prior approval must be secured.
- Revision of budget and program plans:
 - PIs can now be absent from the project (location) and still be “engaged” in research activities without getting prior approval and/or a temporary replacement PI.
 - A reduction in PI’s effort of 25% or more requires prior approval.
 - Re-budgeting of funds earmarked for participant support costs requires prior approval.
 - Prior approval is required for re-budgeting cost share. (Specifically, cost share must be delivered for the purpose for which it was promised.)

Uniform Guidance: What PIs Need to Know



- **Prior Approvals**

- **Fixed-Priced Subawards:**

- Agency prior approval is now required to enter into a fixed-price subaward rather than a cost-reimbursement subaward, and the total value of each fixed price subaward may not exceed \$150,000. To expedite agency approval and subsequent issuance of the subaward, PIs/departments should add a new justification statement to proposals contemplating a fixed-price subaward.
 - Carefully consider the above, in advance of issuing a fixed priced subaward as it relates to multi-year projects. For example, you will need to end the subaward when you reach \$150,000 cumulatively and issue a new subaward, which would require assessing the indirects on the first \$25,000 again.

Uniform Guidance: What PIs Need to Know



- **Prior Approvals**

- **Entertainment Costs:**

- Costs of entertainment, including amusement, diversion, and social activities and any associated costs are unallowable, except where specific costs that might otherwise be considered entertainment have a programmatic purpose and are authorized either in the approved budget for the federal award or with prior written approval of the federal awarding agency.
 - Where possible and when necessary for the project, these costs will need to be included in the applications to the funding agency or be the subject of a prior approval request after the award has been made.

Uniform Guidance: What PIs Need to Know



- Prior Approvals
 - Exchange rates:
 - PI's / departmental administrators, should notify Sponsored Projects offices ASAP if they feel their project qualifies for additional funding as a result of fluctuation in exchange rates (e.g., foreign subs, etc.).
 - Memberships, subscriptions and professional activity costs:
 - Where possible and when necessary for the project, these costs will need to be included in the applications to the funding agency or be the subject of a prior approval request after the award has been made.

Uniform Guidance: What PIs Need to Know



- **Prior Approvals**
 - Participant support costs:
 - Inclusion of this direct cost requires prior approval. For expediency, in the approval process, include and fully justify in proposal applications when necessary to carry out the project.
 - Pre-award costs:
 - Now requires “written” approval. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the federal award and only with the written approval of the federal awarding agency.

Uniform Guidance: What PIs Need to Know



- **Internal Control**

- “Internal Control” is one of the most frequently repeated phrases in the Uniform Guidance. In the previous circulars, Internal Control was mainly cited as an audit requirement in A-133, often considered by entities only after the funds had been spent. In the Uniform Guidance, OMB clearly emphasizes the importance of Internal Controls by defining them, clearly identifying source documentation for best practices and including internal controls in the post-award management standard requirements.
- **NOTE:** Acceptable audits in previous years should not be relied upon as an indication that internal controls are sufficient.

Uniform Guidance: What PIs Need to Know



• Internal Control

- Effective internal controls help mitigate risks of waste, fraud and abuse.
- PIs should familiarize themselves with campus internal control best practices and take necessary steps to comply.
- The consequences of noncompliance, as stated in § 200.338, may include withholding funds, cost disallowances, suspension or termination of the award, and could affect future funding to you and/or to the campus.
- PIs should become familiar with the new explicit personally identifiable information (PII) requirement. "Personally identifiable information" (PII), as used in U.S. privacy law and information security, is information that can be used on its own or with other information to identify, contact or locate a single person, or to identify an individual in context.
 - PII is any information about an individual maintained by an agency, including (1) any information that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial and employment information.

Uniform Guidance: What PIs Need to Know



• Financial Management and Reporting

- PIs should expect future changes in the campus guidelines and system configuration to properly account, record and report program income activities. PIs will be responsible for the following:
 - Identifying sources of actual and potential program income at the proposal stage and checking the “Program Income is anticipated” box on the Proposal Routing and Authorization Form
 - Developing the budget for using program income.
 - Generating program income.
 - Monitoring the receipt and recording of program income.
 - Ensuring that the expenditure of program income is compliant with award restrictions.
- PIs should be aware that there is potential adverse impact of buying items in bulk or purchasing supplies toward the end of an award (i.e., unused portion).
- There is increased importance on timely progress reporting including the reporting of both significant positive and negative impacts on projects. In addition, federal guidelines are moving toward stricter rules for award closeout.
- Final financial reports (and other technical reports) must be submitted on time, which requires PI to closely monitor expenditures especially toward the end of the award performance period.

Uniform Guidance: What PIs Need to Know



- Financial Management and Reporting (cont'd)
 - PIs should work closely with departmental administrators to review the award activities and make the necessary changes in a timely manner.
 - Sponsors may (and have recently) question and/or deny expenditures (and related drawdown) submitted after the permitted closeout period.
 - There will be new campus policies and guidelines that may change the way award closeouts are managed.
 - PIs should be aware of the new financial certification and how their actions could *legally affect the institution or an individual at the institution.
 - *New UG Certification: The UCI Designated Official responsible for requesting payment on behalf of the PIs expenses under a federal award will now be required to certify and attest to be knowledgeable of appropriate expenditures when payments are requested from a federal agency (either via paper invoice or electronic draw). The certification subjects the certifying individual to criminal, civil or administrative prosecution for fraud, false statements, false claims or otherwise. As a result, certifying officials must be diligent in carrying out this function, adequate to ensure they are knowledgeable that all expenses are appropriate in order to prevent personal liability. As such, PIs will need to provide adequate and appropriate documentation to ensure these individuals can provide an accurate certification.

Uniform Guidance: Resources



- UCOP RPAC website on the Uniform Guidance:
 - <http://www.ucop.edu/research-policy-analysis-coordination/research-sponsors-agreements/federal-government/uniform-guidance/index.html>
- UCI's website on Uniform Guidance:
 - <http://www.research.uci.edu/uniform-guidance/index.html>
- NSF UG Implementation Guide:
 - <http://www.nsf.gov/pubs/policydocs/pappguide/nsf15001/sigchanges.jsp>



Thank You for Your
Attention

Questions?