

# UNIFORM GUIDANCE IMPLEMENTATION UPDATE

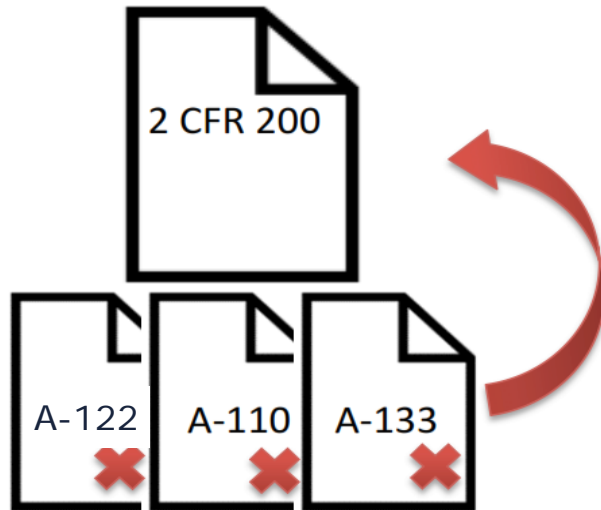
February 2015



**FRED HUTCH™**  
CURES START HERE

# Uniform Guidance– Quick Reminder: Key Things to Know

Replaces existing circulars:



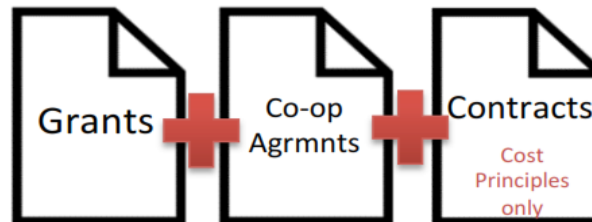
Applies to:  
“Non-federal Entities”

- Institutions of Higher Education (IHE)
- States
- Non-Profits
- Tribal Nations

Effective Date:



Guidance for Federal and Non- Federal Entities that applies to:



Federal contracts follow the FAR, plus UG for cost principles only

# What has happened since October... more of what we know....and what we're **STILL** guessing

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## What we know...

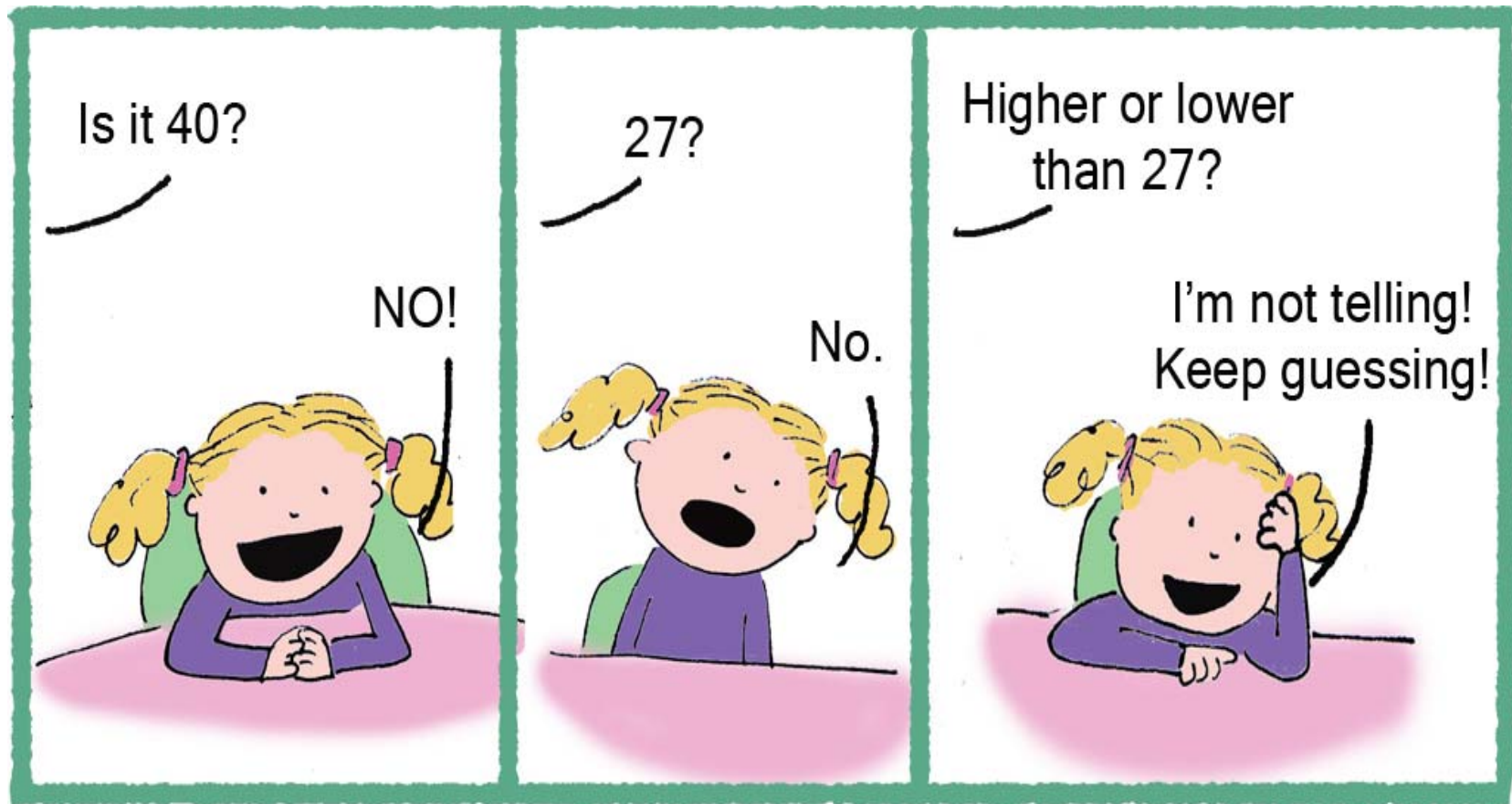
- Interim joint final rule implementing Uniform Guidance (UG) published in Federal Register on Dec. 19, 2014
- Required 60-day public comment period ends Feb. 18, 2015
- UG effective date remains Dec. 26, 2014
- High-level Agency implementation plans outlined
- Research Terms and Conditions (RTC's) expired
- New RTC's expected in Spring 2015
- NIH and NSF have issued interim guidance



# What has happened since October... more of what we know....and what we're **STILL** guessing

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## What we're **STILL** guessing...



# What has happened since October... more of what we know....and what we're **STILL** guessing

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## What we're **STILL** guessing...

- Still unclear how some individual divisions within agencies may apply flexibility and discretion provided within the guidance
  - e.g. in areas such as implementing UG at noncompeting funding segments, prior approval requirements, etc.
- NIH Final Implementation plan – updated Final Grants Policy Statement (GPS) expected “soon”
- Audit expectations related to Internal Control documentation requirements still unknown (Compliance supplement expected Spring 2015)



# Uniform Guidance...Applicability Overview

The new circular became effective December 26, 2014

## Uniform Guidance applies to:

- All New and Renewal awards issued on or after 12/26/14 (even if proposal/budget submitted under the old rules/circulars in effect prior to 12/26/14)
- Fred Hutch Single Audit (A-133) for FY16 (July 2015 – June 2016)

## Old Rules (A-122, A-110, A-133) will apply to:

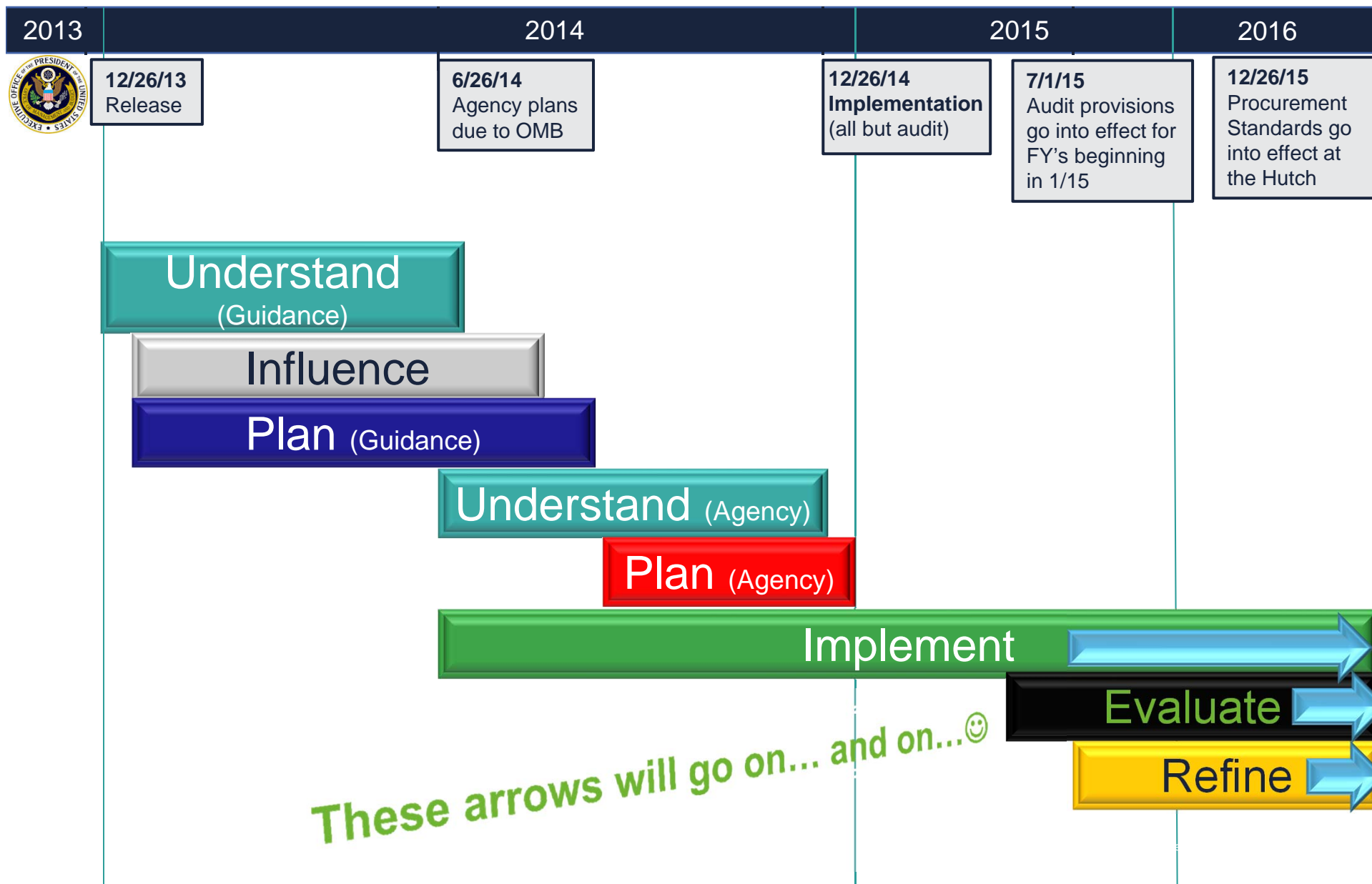
- All active awards that do not receive incremental funding or another award action until they expire

## Uniform Guidance MAY apply to:

- All non-competing awards (may vary by agency)
- Other funding actions (may vary by agency)
- For NIH and NSF, the key to unlock the UG applicability puzzle, is \$\$\$...we will get to that in the FAQ's.



# Uniform Guidance Implementation Overview



# What's been happening at the Hutch?

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## Working Groups full steam ahead!



### UGSC

- OSR – Mark Boyer, Shannon Lysen
- Accounting – Chris Bundesmann, JoAnn Staheli
- Materiel Management – Mark Burch
- FPA – Herb Bone, Lisa Nichols
- Internal Audit – John Hernandez, Dinesh Weerasooriya
- Consultant to OSR – Sara Judd

### UGWG's

- Costing
- Effort Reporting/HR
- Equipment
- Post-Award
- Pre-Award
- Procurement/COI
- Subawards/Subrecipient Monitoring





# What's been happening at the Hutch?

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## UG Project Accomplishments:

- New UG Website launched
  - <http://www.fredhutch.org/en/labs/uniform-guidance.html>
- UG Quick Guides and UG FAQ's published
- Research Administration Training (RAT)
  - Updated materials (ongoing)
  - New UG-specific classes being developed
- Updated Sabbatical policy
- Documented F&A rate negotiation process
- More to come!



# New Fred Hutch UG Website


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Your primary resource for all that is UG...

- Let's take a peek...
- <http://www.fredhutch.org/en/labs/uniform-guidance.html>

# A Walk Through the UG Quick Guide Version 1.2 and the FAQ's

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- UG Quick Guide Version 1.2 includes new information for:
  - Award Closeout
  - Fixed Amount Subawards – NIH/NSF Prior approval requirements
  - Foreign Tax Costs including VAT
- UG FAQ's address: 
  - UG Applicability
  - Direct Charging of Administrative/Clerical Salaries
  - Effort Reporting
  - Subaward F&A Rates
  - Procurement Implementation
  - Training

# UG Quick Guide Version 1.2

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Office of Sponsored Research  
Uniform Guidance (UG) Implementation

## UG QUICK GUIDE (Version 1.2)

MAJOR CHANGES IN THE UNIFORM GUIDANCE AFFECTING PROPOSAL BUDGETS, CHARGING OF DIRECT COSTS AND AWARD MANAGEMENT - *Updated February 2015*

The Office of Management and Budget (OMB) has combined many of the federal circulars including A-110, A-21, A-122 and A-133 into a single document called the “Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards”, most commonly referred to as Uniform Guidance (UG). These new federal requirements are effective as of December 26, 2014.

# UG Quick Guide Version 1.2: Award Closeout

## UG §200.434

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- No actual change in Federal Guidance...All reports due “no later than 90 calendar days after the end of the period of performance.”
  - Updated language to encourage agencies to be more stringent with enforcement but agency discretion is provided
  - Some agencies (NIH/NSF and RTC’s) will adopt 120-day closeout period
- Fred Hutch will retain its 90-day closeout practice
  - Ensure full recovery of costs and mitigate risk for non-payment
  - Avoid confusion with varying agency policies



# UG Quick Guide Version 1.2: Fixed Amount Subawards

## UG §200.332

A green starburst graphic with the word "NEW" in white capital letters inside.

- New NIH and NSF prior approval requirements for awards subject to UG
  - No prior approval required for fixed amount subawards provided that the subawards meet the requirements stipulated in 45 CFR 75.201 (NIH) and UG §200.201 (NSF)
- In summary, these requirements are:
  - Appropriate award instrument used in accordance with regulations
  - Fixed Amount Subaward may be used if:
    - Federal award amount is negotiated using the cost principles (or other pricing information) as a guide
    - Project scope is specific
    - Adequate cost, historical, or unit pricing data is available to establish a fixed amount award based on a reasonable estimate of actual cost
    - Payments based on meeting specific requirements of the Federal award
    - Accountability based on performance and results
    - Funding Program does not require mandatory cost sharing or match
    - Upon completion of project, Fixed Amount Subaward recipient certifies that the project or activity was completed or level of effort was expended

## UG Quick Guide Version 1.2: Foreign Tax Costs-Including Value Added Tax (VAT) UG §200.470

NEW

- VAT (taxes charged for purchase of goods or services that must be paid in a foreign country) is allowable under awards subject to UG, provided the goods or services are an allowable expense with the following exceptions:
  - Applicable exemptions are available (either directly or via the federal government;
  - Special assessments on land that represent capital improvements; and
  - Federal income taxes
- For NIH awards subject to UG, VAT can now be charged in accordance with UG
- For existing NIH awards not subject to UG, VAT is still considered an unallowable cost for foreign components.





**Questions so far?**

**On to the FAQ's!**



# FAQ's for UG: NIH Applicability

## UG §§ 200.101



### How will I know when UG applies to my NIH award?

**Easy!** All new and competing renewal awards for all Federal Agencies received after **December 26, 2014** will be subject to the **UG**. Everything else is at the Agency's discretion.....oh wait....

#### UG WILL Apply To:

- All noncompeting or incremental actions that provide funding, e.g.:
  - Noncompeting continuations
  - Incremental funding
  - Continuing resolution funding
- Any award action that implements UG

\*\*Award Notice should reference 45 CFR Part 75, which is the appropriate CFR which implements the UG under DHHS, but may not include any other language referencing UG

**Hint: if the Award Notice is greater than zero, UG applies**

#### UG WILL NOT apply to:

- All other non-monetary actions, e.g.:
  - Carry-forward approvals
  - No-cost extensions
  - Other Agency approvals
  - Etc.

\*\*Award Notice will reference as applicable 45 CFR Part 74 or 45 CFR Part 92 (Part 74 applies to the Hutch)

**Hint: if the Award Notice dollar amount is zero or less, UG will not apply**

# FAQ's for UG: NSF Applicability

## UG §§ 200.101



### How will I know when UG applies to my NSF award?

#### UG WILL Apply To:

- All noncompeting or incremental actions that provide funding, e.g.:
  - Noncompeting continuations
  - Incremental funding
  - Continuing resolution funding
- Any award action that implements UG

\*\*Award Notice will include: "This award is subject to the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). NSF's implementation of the Uniform Guidance is contained in the Grant Conditions (GC-1) referenced in this award dated December 26, 2014, available at [http://www.nsf.gov/awards/managing/general\\_conditions.jsp](http://www.nsf.gov/awards/managing/general_conditions.jsp)"

**Hint: if the Award Notice is greater than zero, UG applies**

#### UG WILL NOT apply to:

- All other non-monetary actions, e.g.:
  - Carry-forward approvals
  - No-cost extensions
  - Other Agency approvals
  - Etc.

\*\*Award Notice will not include a UG reference 😊

**Hint: if the Award Notice dollar amount is zero or less, UG will not apply**

# FAQ's for UG: DOD Applicability

## UG §§ 200.101



### How will I know when UG applies to my DOD award?

#### UG WILL Apply To:

- All new and renewal awards or any award action that implements UG

Hint: there is no hint....we don't need one!



Voice of reason they are,  
mmmm...hmmm

#### UG WILL NOT apply to:

- Anything else, including:
  - noncompeting or incremental actions that provide funding
  - other non-monetary actions, e.g.:
    - carry-forward approvals, no-cost extensions, other Agency approvals
  - Other Agency approvals
  - Etc.

\*\*Award Notice will not include a UG reference 😊

Hint: No, really...

# FAQ's for UG Applicability

## UG §200.101



### But what about Incoming Subawards?

- All Prime recipients of awards subject to UG are required to identify whether the Subaward is subject to UG
- OSR will flag incoming UG Awards and Subawards and communicate this information via the award activation email with the following language and resource link:
  - “Award Subject to Uniform Guidance <http://www.fredhutch.org/en/labs/uniform-guidance.html>”
- If you are unclear as to whether your award is subject to UG, please contact your OSR Specialist

**#OSRSAVESTHEDAY**

# FAQ's for UG Applicability

## UG §200.101



**Will the FMS PeopleSoft queries that I use to manage my awards indicate whether my award is subject to UG, and if so, how can I tell?**



The FMS PeopleSoft system has been updated to reflect whether an award is subject to UG

- The following public queries have been updated with the UG flag:
  - FMS\_FUNDING\_BY\_PI\_ALL\_BP
  - FMS\_FUNDING\_BY\_PI\_CUR\_BP
  - FMS\_FUNDING\_FOR\_ALL\_BP
  - FMS\_FUNDING\_FOR\_CUR\_BP

These public queries are available on the FMS page at:

[http://centernet.fhcrc.org/CN/depts/fms/query/master\\_query\\_list.html](http://centernet.fhcrc.org/CN/depts/fms/query/master_query_list.html).



# FAQ's for UG: Compensation-Personal Services

## UG §200.430



### Will the Effort Reporting system at the Hutch be changing based on new language in the UG?

- The effort reporting system at the Hutch is currently in compliance with the new UG requirements.
- Clarification is still needed from Federal Agencies regarding the requirements for an auditable “system of internal control which provides reasonable assurance.”
- Further analysis is required to assess expectations related to new requirements and associated internal controls/documentation prior to any change considerations.



# FAQ's for UG: Direct Charging Admin/Clerical Salaries

## UG §§: 200.413 and 200.430



**How do I justify Administrative and/or Clerical support on a grant application and does this mean that I can charge Admin/Clerical support on any grant so long as I have the specific justification?**

- Administrative and Clerical salaries may only be charged to a Federal award when **all** of the following criteria 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; and
  - The costs are not also recovered as indirect costs (*currently known as F&A*).
- Please see Quick Guide for sample UG-specific justification language to include in budget or prior approval request
- Once approved by the Agency, either via a Notice of Award (NOA) which includes such approval, or in response to a Prior Approval Request, the salary may then be charged to the award.

\*Fred Hutch has determined that integral means that the services are essential, vital, or fundamental to the project or activity.

# FAQ's for UG: Direct Charging Admin/Clerical Salaries

## UG §§: 200.413 and 200.430

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Now that the guidance has stated Administrative/Clerical salaries are allowable under certain circumstances, must I begin to direct charge all Administrative/Clerical salaries to my awards?

- No. In general Admin/Clerical salaries should not typically be direct charged to a Federal award unless they meet **all** of the criteria identified in FAQ #4.





# FAQ's for UG: Direct Charging Admin/Clerical Salaries

## UG §§: 200.413 and 200.430

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Can I charge Administrative and/or Clerical salaries to an existing award?

It depends...

- The UG does not retroactively impact awards prior to December 26, 2014, so if you were already charging appropriately approved Admin/Clerical salaries to an award you may continue to do so.
- If the award is subject to UG, or if a new incremental funding action implements UG on an existing award, then the Admin/Clerical salaries for that new UG portion of the award now subject to UG, must have been clearly justified in the proposal and approved in the award, otherwise prior approval is required prior to charging those salaries to the award.

# FAQ's for UG: F&A Rates for Subawards

## UG §§: 200.331



Now that 10% is the *de minimis* F&A rate for subawards, should I begin budgeting 10% F&A for foreign subawards on NIH awards rather than 8%?

- Under UG, the 10% *de minimis* rate applies when:
  - The subrecipient entity does not have a federally negotiated F&A rate,
  - The subrecipient entity does not have a negotiated rate with the prime recipient, and
  - The federal program under which the subaward is being issued does not have a published statutory F&A rate for subawards.
- Please see Quick Guide Version 1.2 for recommendations for all other Federal agency proposals



For foreign subawards, NIH will continue to utilize the statutory 8% rate currently reflected in the Grants Policy Statement (GPS).



NSF has updated their terms and conditions to reflect the use of the 10% *de minimis* rate in accordance with the UG to replace their previous rate of 0% for foreign subawards.

# FAQ's for UG: F&A Rates for Subawards

## UG §§: 200.331



For existing Fred Hutch prime awards that include outgoing subawards with an F&A rate that is less than the 10% *de minimis* rate, will the Hutch begin awarding the 10% F&A on those subawards, and if so, will my existing award need to absorb this increase?

- It depends...we need shirts...
- The new *de minimis* rate for subawards that do not have a federally negotiated rate only applies to UG awards.
- Only if:
  - a UG prime award is received or a competing/noncompeting funding action is received that implements UG
  - The subaward meets all of the criteria listed in FAQ #7
  - A published statutory F&A rate does not exist.



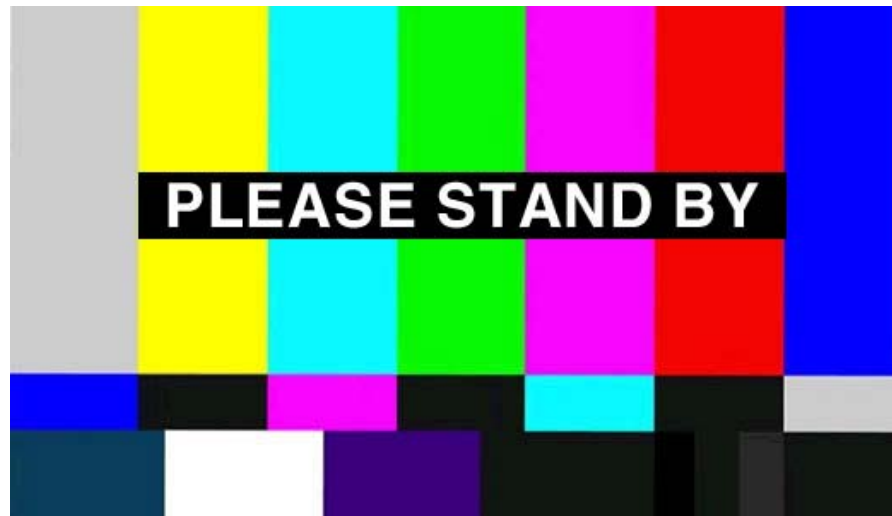
# FAQ's for UG: Procurement

## UG §§: 200.110(a)



**Does the implementation of UG impact purchasing or procurement processes at the Hutch?**

- 2 CFR §200.110(a) provides the option of deferring the changes to the procurement standards for one year. Fred Hutch will exercise this option and continue to comply with the procurement standards contained in OMB Circular No. A-122.



## FAQ's for UG: Training and Information for Managing Fred Hutch UG Awards



Where can I get more information on how to manage new awards under UG?

- UG Implementation at the Hutch is an iterative process
- Fred Hutch will continue to engage key stakeholders
- OSR will continue to host implementation informational sessions
- Affected Research Administration Training (RAT) materials will continue to be updated
- UG trainings, Quick Guides, and FAQ's will continue to be shared to facilitate communication and transition into managing proposals and awards under UG
- Consider the Hutch UG Website the central resource for UG information and resources: <http://www.fredhutch.org/en/labs/uniform-guidance.html>

# What to Expect Next...

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- Project may result in new/updated business process/procedures/systems/tools/resources in your areas
  - *Centrally*
  - *Across units*
  - *Ranging from high-level policy to specific operational procedures and tools*
- More “Iterative”...did we mention iterative?
- More opportunity to provide feedback...no time like the present: ready, set, go!

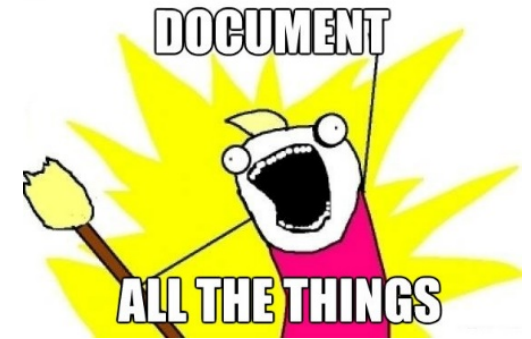


# The Issue: Subawards/Subrecipient Monitoring

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## UG provides for:

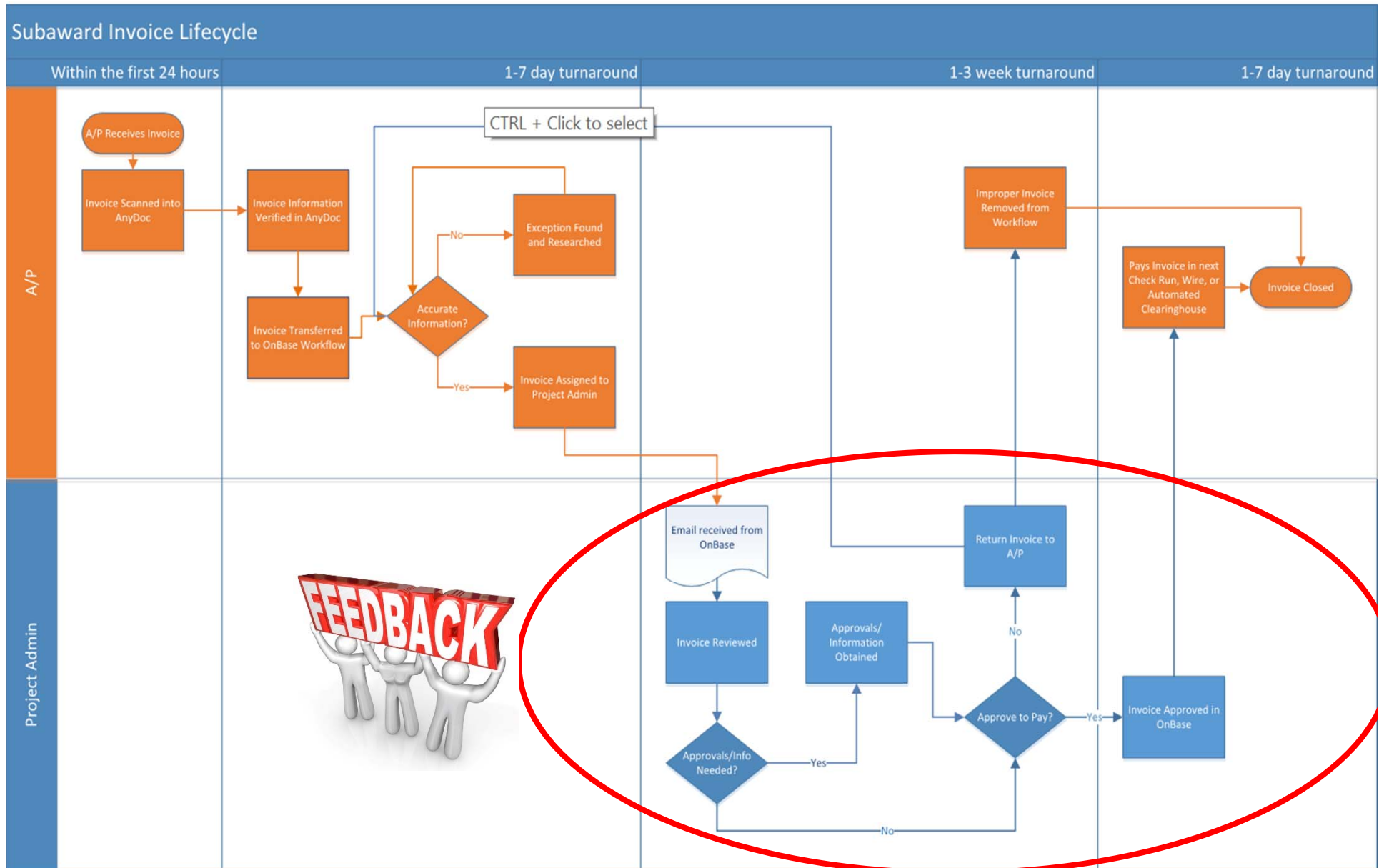
- Increased burden for vendor vs. subrecipient determination
  - New requirement to document determination each time
- New obligation to document that the Hutch has received and reviewed the subrecipient's performance and financial reports...
- New obligation to pay subrecipient invoices in 30 days...eek!



Fully documented risk assessment for each sub prior to issuance

# Current Subaward Invoice Lifecycle at the Hutch

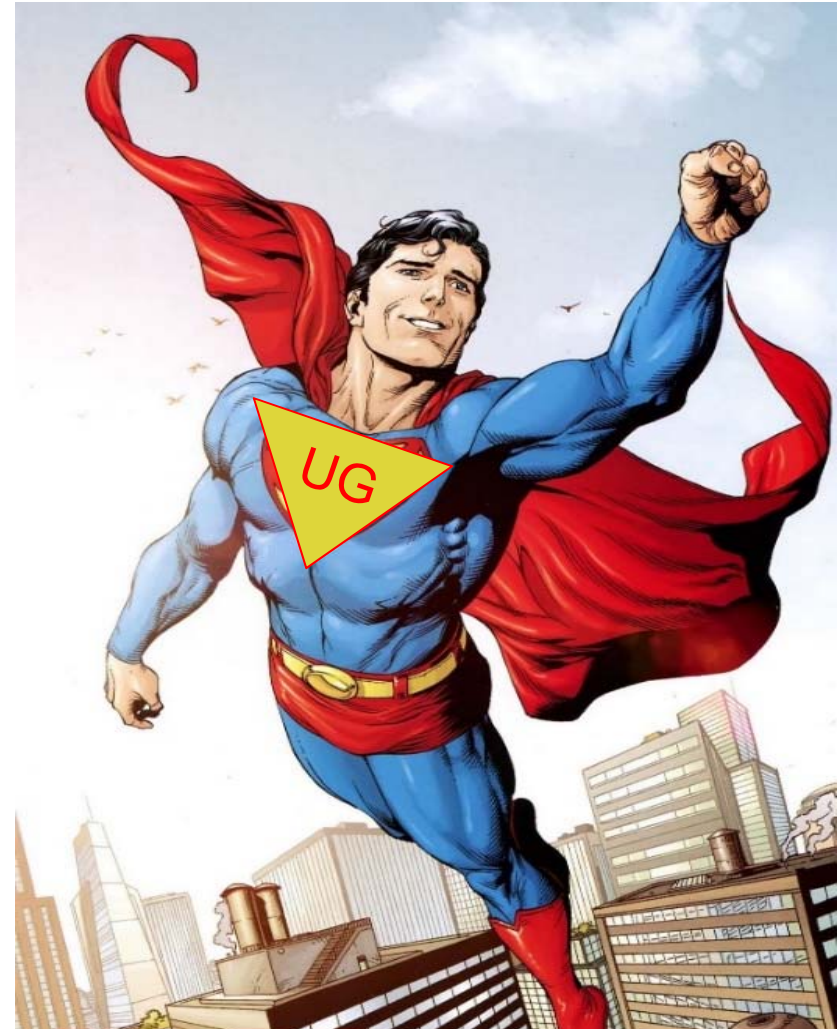
## What do YOU do?





# Next Steps for UG Implementation Priorities

- Don't forget...despite the many still pending unknowns, the UG Steering Committee aims to best position the Center for compliance to facilitate a smooth transition by:
  - partnering with national colleagues,
  - engaging key institutional stakeholders, and
  - communicating information broadly to ensure a well-informed community.



## UG Resources

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- OSR UG Website: <http://www.fredhutch.org/en/labs/uniform-guidance.html>
- OSR Website: <http://extranet.fhcrc.org/EN/sections/osr/>
- OMB Website: [http://www.whitehouse.gov/omb/grants\\_docs](http://www.whitehouse.gov/omb/grants_docs)
- FDP Website: [www.thefdp.org](http://www.thefdp.org)
- COGR White paper April 2014: [http://sites.nationalacademies.org/cs/groups/pgasite/documents/webpage/pga\\_088100.pdf](http://sites.nationalacademies.org/cs/groups/pgasite/documents/webpage/pga_088100.pdf)
- COFAR website: <https://cfo.gov/cofar/>



**Questions?  
Answers?  
Jokes?**

THANK YOU



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