

Bridging The Gap

Uniform Guidance

Youssef Kubis, Director, Contracts & Grants Accounting

Todd Vizenor, Compliance Manager

Pam Miller, Director, Sponsored Projects Office

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New Federal Regulation

The Office of Management and Budget issued new guidance effective December 26, 2014. Under Title 2 of the Code of Federal Regulations, the Uniform Guidance combines and replaces eight federal circulars, including A-21, A-110, and A-133, which pertain to institutions of higher education.

New Federal Regulation

Federal agencies are only just now providing implementation guidance and they are not applying the Uniform Guidance or “UG” uniformly. Links to each agency’s published implementation guidance can be found on the SPO website at:

http://www.spo.berkeley.edu/procedures/uniform_guidance.html

New Federal Regulation

At Berkeley the UG will apply to all new federal awards* received and subawards issued per agency guidance. However, SPO Supply Chain Management will not implement the UG relative to procurement transactions until July 1, 2016, as allowed.

*Federal contracts will also be subject to the FAR. Where UG and FAR conflict the FAR will govern.

New Federal Regulation

The following highlights selected items of the Uniform Guidance that will impact federal awards received after December 26, 2014 at the pre and post award stages.*

*Under construction

Administrative and Clerical Salaries

Costs can be directly charged if all of the following 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; and
- The costs are not also recovered as indirect costs.

UCOP Definition of “Integral”

- Contributes directly to the success of the federal project
- Supports a programmatic objective
- Significance of the activity can be clearly justified
- Meets campus’ required level of effort (UCB: 10% over life of project)*

*Effort must be reported through the campus’ federal effort reporting system.

Computing Devices (< than \$5,000)

These costs may now be included as a direct cost. The PI must provide a budget justification in the proposal that explains why the device(s) is:

- Essential
- Allocable*

*Does not have to be solely dedicated to the federal project

UCOP Definitions

- “Essential”
 - Needed to acquire, store, analyze, process, and publish data and other information electronically
 - Not for convenience or personal preference
 - No other equivalent device is available
- Allocable
 - Needed for the performance of the Federal award
 - Not solely dedicated (Sharing of device is acceptable*)

*At proposal stage include projected percent of use and document actual use at award stage.

Participant Support Costs

Provides for other federal sponsors to allow PIs to budget and charge participant support costs. These costs must be explicitly listed in the proposal budget or approved by the funding agency (through SPO) after the award has been made. The related expenses must be recorded in the appropriate participant support account code.

Participant Support Costs

- Must be specifically allowed by the sponsor
- Must be pertain to meetings, conferences, symposia, training—not research studies (unless there is a training component).
- Not subject to F&A
- Will be closely scrutinized by sponsor/SPO if cost not related to stipends, subsistence, travel, registration fees for participants

Visa/Recruiting Costs

Short-term, non-immigration visa costs are allowed 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 costs, only the initial visa cost is allowable.

F&A Costs

Federal agencies must accept UCB's federally negotiated F&A rate unless a lesser rate is required by federal statute or regulation or a lesser rate has been approved by the head of the federal agency and the lesser rate and justification for the lesser rate is made public.

PI Disengagement

Prior sponsor approval must be obtained from the federal agency if a PI will be “disengaged” from the project for more than three months, or if a 25 percent reduction in the time the PI devotes to the project.

UCOP Definition of PI “Disengagement”

Unable to carry out PI functions/responsibilities:

- Scientific/Scholarly/Creative leadership
- Financial Monitoring
- Adherence to Internal University Policies
- Management of Project Requirements

* PI is not required to be physically located on campus

Budget Modifications

Prior approval must be obtained from the federal funding agency:

- Transfer of funds budgeted for participant support
- Compensation for fluctuations in exchange rates
- Use of program income if federal agency does not specify
- Rebudgeting of cost share

Program Performance

Uniform Guidance emphasizes the requirement to ensure progress is being made of federal programs. Annual reports will be due in 90 calendar days after the end of the reporting period. Quarterly and semiannual reports are due in 30 calendar days after the end of the period.

Residual Supplies

If there is a residual inventory of unused supplies exceeding \$5,000 which are not needed for any other federal award, the University must retain the supplies for use on other activities or sell them. In either case, the federal government must be compensated for its share.

Publication/Printing Costs

Page charges for professional journal publications are allowable where:

1. The publications report work supported by the federal government;
and
2. The charges are levied impartially on all items published by the journal, whether or not under a federal award.

The University may charge the federal award before closeout for the costs of publication or sharing of research results if the costs are not incurred during the period of performance of the federal award.

Subawards

- Fixed amount subawards above \$150K require sponsor's prior approval (unless waived by agency)
- Fixed amount subawards not allowed if cost sharing is required by agency.
- Subrecipients without "federally negotiated" F&A rate may charge a De Minimis rate of "10% of MTDC (unless another rate established by federal statute or regulation)

Closeout

The Uniform Guidance 90 day closeout requirements is not technically a new requirement; however, the new guidance requires the federal awarding agency to complete the closeout within one year of receipt of final reports.

Subaward Closeout

FDP subawards require financial and technical reports be submitted within 60 days of end of subagreement

All other subawards require financial and technical reports be submitted within 45 days of end of subagreement (unless sponsor requires a quicker response from UCB)

Research Terms & Conditions

- RTC which applied to federal research awards when issued by 11 federal agencies has expired with the implementation of the UG (e.g., pre-award spending, re-budgeting authority, NCEs)
- Working group headed by NSF & NIH developing a revised version of the RTC (hope to involve more agencies)
- Agency specific guidance now governs—please read your NOA!

Questions ?