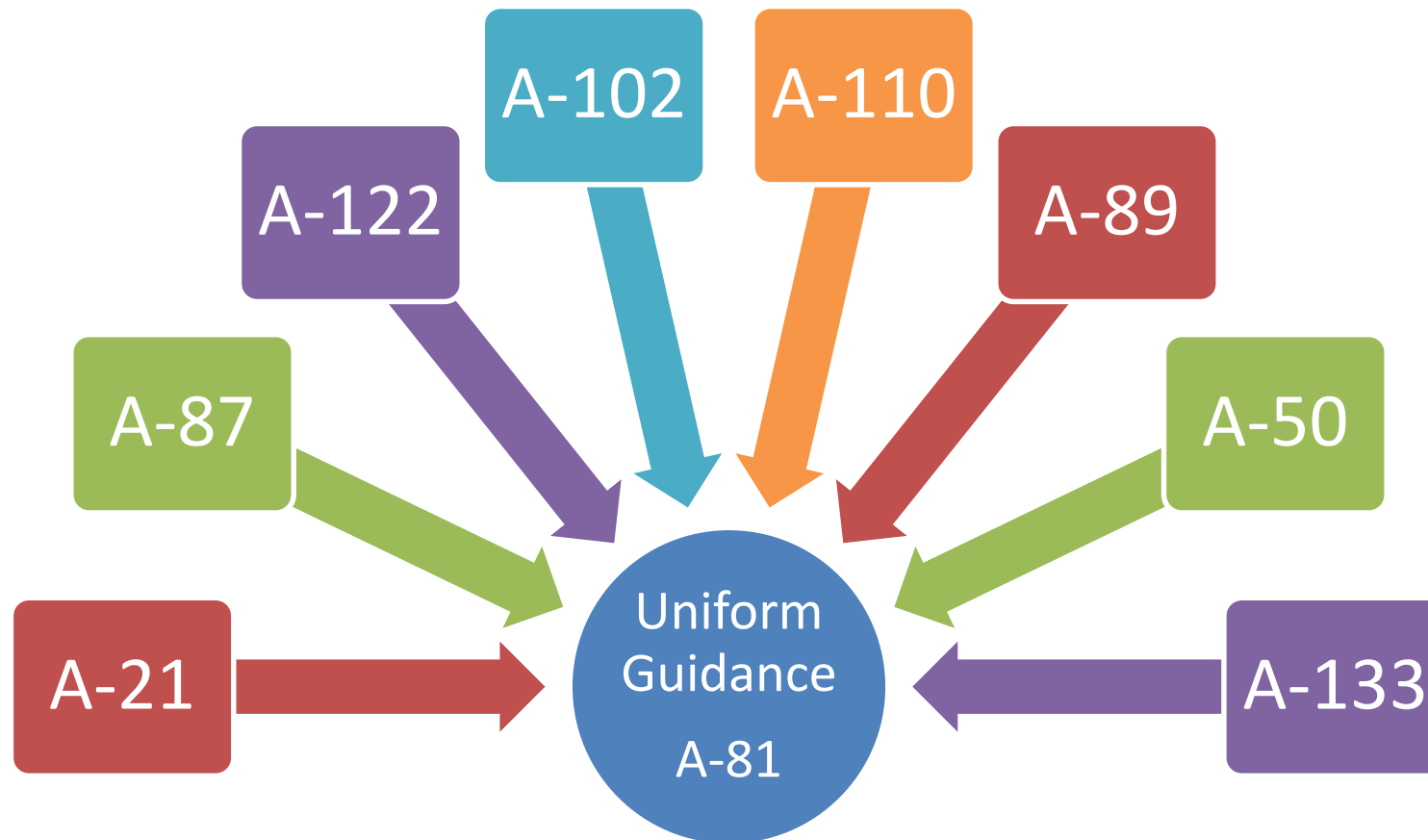


UG Quick Review and Refresher

October 2019

What is Uniform Guidance?



- Consolidation of 8 OMB circulars into one
- Government-wide framework for grants management
- Reduce administrative burden and waste
- Establishes principles for determining costs applicable to grants, contracts, and other agreements with educational institutions
- Provides guidelines regarding applicable costs, allowable vs. unallowable costs, direct vs. indirect costs
- Defines and determines what makes a particular cost allowable

What's the difference?

- Focus on internal controls, documentation and written policies and procedures
- Indicates what must be done, but does not define how
- Removes previous guidance that is conflicting and establishes standard language
- Directs the focus of audits on areas that have been identified as at risk for waste, fraud and abuse
- Clarifies and updates cost reporting guidelines for award recipients
- Lays the groundwork for Federal agencies to standardize the processing of data
- Implemented in 2014 with the final procurement changes implemented July 2018

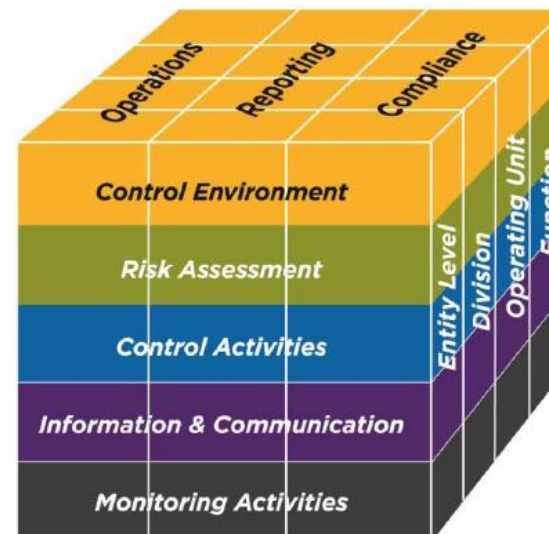
EMPHASIS ON INTERNAL CONTROLS 200.303

- Strong internal controls provide reasonable assurance that the institution is managing their awards in compliance with federal statues, regulations, and the terms and conditions of the federal award
- Take prompt actions when instances of non-compliance is identified in audit findings
- Reasonable measures to safeguard protected personally identifiable information and other sensitive information

THE COSO CUBE

Committee of Sponsoring Organizations

This indicates that organizations need to address all the principles on the face of the cube and on the top of the cube at the entity, division, operational, and functional levels.



Allowability Test

YES! Allowable: Is it necessary for proper and efficient performance and administration of the Federal award?

YES! Reasonable: Would a prudent person think it was a reasonable cost, in its nature and amount, under the circumstances at the time the cost was incurred?

YES! Allocable: Is it allocable to the Federal award? Are you distributing the charge proportionately to the relative benefit received on the award?

YES! Consistent: Is this cost treated consistently with like costs regardless of source of funds? (direct vs. indirect)

Procurement Standards 200.317-326

- Emphasis on price and competition
- Must demonstrate how the organization is documenting their practice of procurement history
- Delayed for 3 years, finally all organizations must implement by July 2018
- Must document when we implement the new standards
- Thresholds have finally been resolved at \$10,000

Procurement Highlights

- Must use one of the 5 procurement methods
- Must maintain history of procurement rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price
- Must avoid acquisition of unnecessary or duplicative items, such as equipment
- Must maintain oversight of contractors

https://www.northeastern.edu/policies/Policy_on_Procure_to_Pay.pdf

https://finance.northeastern.edu/forms/#how-do-i-buy-pay-for-goods-or-services_vendor-justification-form

Procurement Methods

Method	Threshold	Description
Micro-purchase	Up to \$10,000	Designed to expedite small purchase transactions up to \$10,000 per procurement. No additional support required. P-cards must follow rules.
Small Purchase Procedure	\$10,000-\$149,999	Price or rate quotations are required from an <i>adequate</i> number of qualified sources. Judgement should be used for how many quotes would be required, but at a minimum 2. Quotes can be in writing, internet search, it just must be documented.
Sealed bid	\$150,000+	Formal RFP Require and selection process documented approach and criteria. Firm fixed price contract (lump sum).
Competitive Proposal	\$150,000+	Formal RFPs and selection process documented approach and criteria. Lays out the T&Cs for this and quality is taken into consideration. Firm fixed price contract and cost reimbursement.
Noncompetitive Proposal aka Sole Source	\$10,000+	Solicitation of a proposal from only one source. Can use scientific reason for sole source but good monitoring must be in place.

Administrative & Clerical Salaries 200.413(c)

Salaries of administrative and clerical staff should normally be treated as indirect costs. These cost may be deemed allowable if the following conditions are met:

- Administrative or clerical services are integral to a project or activity
 - Can the objectives of the Award be achieved without the specific cost?
 - Does the Award require a disproportionate amount of the F&A type cost than other department activities or Awards
- 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

Usually on a major program project (P or U award for example). Must be documented and specifically identified on the budget and the justification.

Compensation and Salaries 200.430

- Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed
- Follows an appointment made in accordance with institutional policies
- Charges for work performed on Federal awards can not exceed the proportionate share of the Institutional Base Salary (IBS) for that period
- IBS is the annual compensation paid by an IHE for an individual's appointment whether that individual's time is spent on research instruction, administration or other activities

Standards for Documentation Of Salaries 200.430(i)

No specific requirement for Effort Certification! However.....

- Emphasis on records, documentation, and internal controls that show charges are accurate, allowable and properly allocated
- Reflects the total activity for the employee, not to exceed 100% of the IBS
- Records must support the distribution of salary and wages among different activities
- Can not rely on budget estimates alone! Must have a process for after-the-fact interim charges and review.

Cost Sharing 200.306

Cost Sharing is the portion of the total project costs of a sponsored agreement that is the responsibility of the University rather than by the sponsor.

Voluntary committed cost sharing is not expected or considered during merit reviews for proposals. Federal agencies must require mandatory cost sharing or not consider it at all.

NU: Only mandatory cost sharing is tracked in our system as ledger 5. If you put it in your proposal and explicitly state it in your budget as voluntary committed cost share, and you are then awarded, it becomes a MANDATORY cost share and must be tracked by the organization.

Computing Devices 200.453

Computer devices that are <\$5,000 are considered supplies and can be charged to a federally sponsored award as long as they are considered essential and allocable to the performance of the project.

The device does not have to be solely dedicated to the project. You should still budget for these expenses.

Subrecipient Monitoring 200.330-332

- Institutions are required to perform a risk assessment prior to issuing a subaward to determine the appropriate level of monitoring
 - Are they audited regularly under UG?
 - Major system or personnel changes within their organization?
 - Do they know how to manage a federal award? Prior experience?
 - Are they being monitored by federal agencies?
 - Additional monitoring activities may be imposed if subrecipient is considered high-risk
- Additional monitoring activities may be imposed if subrecipient is considered high-risk
- Fixed priced subawards of up to \$150K is allowed with prior approval
- Subrecipients can apply a de minimis rate of 10% if no negotiated IDC rate

Resources

<https://research.northeastern.edu/nu-res/policies-guidelines/>

https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

<https://www2.ed.gov/policy/fund/guid/uniform-guidance/faq62515.pdf>