Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

at 2 CFR 200

New Jersey Institute of Technology
AGENDA

Preparing campus for what is changing and what is not…

• What is Grants Reform and when is it effective?
• What changes are most important to faculty and research performers?
• What is NOT changing?
• Next Steps
WHAT’S CHANGING AND WHEN?

Grants Reform

- Office of Management and Budget Circulars combined into *Uniform Requirements*
- Effective December 26, 2014 & after
FEDERAL REGULATIONS

• Why is this change taking place?

• Who was responsible for “Grants Reform” and combining the regulations?

• Is there an organizing principle behind the new regulations?
ORDER OF PRECEDENCE: CONTROL OF A SPONSORED PROJECT

- Uniform Requirements (2 CFR 200)
- Agency Rules (found in agency general terms and conditions)
- Program Rules (found in the solicitation)
- Special Conditions
- Award

State Laws & Regulations

Institute Policies
Uniform Requirements – What’s Covered

• Administrative Requirements
  – Finance
  – Purchasing
  – Property
• Solicitations, Proposals, and Awards
• Allowable Costs
  – Direct and Indirect
  – Personal Services (Effort Reporting)
  – Space and Utilities
• Facilities and Administrative Cost Calculations
MAJOR CHANGES

Program performance must reflect financial performance
  • More extensive report requirements

Emphasis is on internal controls and documentation
  • Timely appointments and cost transfers
  • PI Certification

Subawards
  • Pre-award documentation required
  • Limits on fixed price
  • Payment requirements
  • Greater financial and programmatic performance monitoring

Planning is Important!
  • Proposing fixed price
  • Subawards
  • Purchasing will require more quotes and bids
  • Close-out timeline will be compressed
WHAT CHANGES ARE MOST IMPORTANT TO FACULTY AND RESEARCH PERFORMERS?

**Proposals**
- Solicitation
- Cost-sharing cannot be considered in review and requires agency head approval
- Agencies are expected to pay the full negotiated F&A rate

**Purchasing**
- Documentation standards have changed
  - Micro-purchasing threshold reduced from $10,000 to $3,000

**Materials & Supplies**
- Accounting for residual supplies and documentation for late-term charges
- New cost-transfer limitations

**Equipment**
- Equipment purchased with federal funds must be made available to other federally-funded projects
- Additional closeout / disposition requirements
WHAT’S NOT CHANGING?

- Dual role of graduate students and post-doctoral trainees affirmed
- Travel regulations are consistent with those of the State of NJ
- The Uniform Requirements are built on the ROCK of Allowability Allocability & Reasonableness
- Expectation to financially & programmatically close awards within 90 days of term.
- 4 Cost Accounting Standards Apply
- Computing devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award may be allowable as direct charges if appropriate and meet the programmatic requirements
- Time and Effort Reporting continues to be the basis of documentation of personnel charges.
COST ACCOUNTING STANDARDS

• An institution’s practices used in estimating costs in pricing a proposal shall be consistent with the institution’s cost accounting practices used in accumulating and reporting costs.

• Like costs in like circumstances must be treated in the same manner.

• Unallowable costs shall be excluded from any billing, claim, or proposal applicable to a sponsored project.

• An institution shall use their fiscal year as their cost accounting period.
NEXT STEPS

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200 became effective December 26, 2014 for new awards.

• Agency Specific Requirements
  – NIH http://grants.nih.gov/grants/policy/policy.htm#gps

• Procurement Requirements delayed until July 1, 2016 for NJIT
• F&A changes effective July 1, 2015
• Uniform Guidance Implementation Committee will be issuing policy revisions