




**Research and Sponsored Programs**  
UNIVERSITY OF WISCONSIN – MADISON

Uniform Administrative  
Requirements, Cost Principles,  
and Audit Requirements for  
Federal Awards  
(New Uniform Guidance)

Spring Research Administrators Series  
March 19, 2015


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**Agenda**


- Background
- UW-Madison Uniform Guidance Implementation
- Highlights from the Uniform Guidance

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# Background

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# Background

- November 23, 2009: E. O. 13520 – Reducing Improper Payments and Eliminating Waste in Federal Programs
- February 28, 2011: Presidential Memorandum on Administrative Flexibility, Lower Costs, and Better Results for State, Local, and Tribal Governments
- May 2011: A-21 Task Force established
- October 2011: COFAR created



## Recent History

- February 28, 2012: Advance Notice of Proposed Guidance: *Reform of Federal Policies Relating to Grants and Cooperative Agreements; Cost Principles and Administrative Requirements (including Single Audit Act)*
- February 1, 2013: Proposed Guidance
- June 2013: OMB/COFAR receive 300+ responses
- December 26, 2013: Uniform Guidance released
- December 19, 2014: Joint Interim Final Rule published
- December 26, 2014: Uniform Guidance effective



## What is the Uniform Guidance (UG)?

- OMB's consolidation of circulars for costing, administration and audit of Federal awards
  - 2 CFR 200 replaces 8 circulars and applies to universities, state and local governments, nonprofits, Indian tribes
- Biggest change in Federal regulations in decades
- Some good news, some new administrative burdens
- Each Federal agency will implement a slightly different version of the UG
- UG is still being interpreted and clarified



## Also known as...

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- 2 CFR Part 200, et al. or 2 CFR Part 200
- Uniform Guidance or UG

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## 2 CFR 200, et al. replaces OMB Circulars:

- A-21: Cost Principles for Educational Institutions
- A-87: Cost Principles for State, Local, and Indian Tribal Governments
- A-110: Uniform Administrative Requirements for Awards and Other Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
- A-122: Cost Principles for Non-Profit Organizations
- A-89: Federal Domestic Assistance Program Information
- A-102: Awards and Cooperative Agreements with State and Local Governments
- A-133: Audits of States, Local Governments, and Non-Profit Organizations
- A-50: sections related to audits performed under the Single Audit Act

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## Overall Structure: 2 CFR 200

- Subpart A – Acronyms and Definitions
- Subpart B – General Provisions
- Subpart C – Pre-Federal Award Requirements and Contents of Federal Awards
- Subpart D – Post Federal Award Requirements
- Subpart E – Cost Principles
- Subpart F – Audit Requirements
- Appendices I – XI


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## Goals of Uniform Guidance

- Streamline guidance for Federal Awards to ease administrative burden
- Strengthen oversight over Federal funds to reduce risks of waste, fraud, and abuse


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## Resources


- <http://www.cfo.gov/cofar>
- Preamble/Uniform Guidance, 12/26/13:  
<https://federalregister.gov/a/2013-30465>
- e-CFR, Title 2, Part 200:  
<http://www.ecfr.gov/cgi-bin/text-idx?SID=ee873e1aa906cf3b0d7474d25be3b5a9&node=2:1.1.2.2.1&rgn=div5>

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## UW-Madison Uniform Guidance Implementation


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## UW-Madison Uniform Guidance Implementation Efforts

- Spearheaded by RSP
- Working groups
  - Divisional, departmental staff
  - Business Services staff
  - RSP staff
- Communications
  - With various campus stakeholders
  - RSP website

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## UW-Madison Implementation: Matrix of subjects/status

[https://www.rsp.wisc.edu/UG/Matrix\\_of\\_subjects\\_and\\_status\\_2-27-15.pdf](https://www.rsp.wisc.edu/UG/Matrix_of_subjects_and_status_2-27-15.pdf)

**University of Wisconsin-Madison: Implementation of the Uniform Guidance**


Subject	Priority	Policy/Practice	Electronic Tool Development	Completion Date	Status/Notes
Administrative and clerical salaries	Immediate	Major revisions	None	2/6/2015	Completed.
Allowable activities (programmatic activities)	Intermediate	Need a very short doc	None	2/28/2015	Need is for a short document to emphasize this set of activities is allowable.
Closeout	Intermediate	TBD	None	4/30/2015	Waiting for Federal agency documents to be released
Computing devices	Immediate	Major revisions	None	11/25/2014	Completed
Conferences	Intermediate	Minor revision to allowable costs chart	None	4/30/2015	In Process: Verifying consistency between current and new guidance.
Cost sharing	Long-term	Minor revisions	None	6/30/2015	RSP is making changes in cost sharing. Most are not related to the UG.
Disclosure statement	Intermediate	Revisions	None	4/30/2015	Waiting for OMB to release the new DS-2 form.
Effective/applicability date	Immediate	Minor revisions	None	1/31/2015	New award set up practices established. Updating guidance on awards as Federal agencies release information.

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# RSP Uniform Guidance website


<https://www.rsp.wisc.edu/UG/index.html>



The screenshot shows the website's header with the University of Wisconsin-Madison logo and the text "Research and Sponsored Programs". Below the header is a navigation menu with links for HOME, FINDING FUNDING, PROPOSAL PREPARATION, AWARD SETUP, AWARD MANAGEMENT, and AWARD CLOSEOUT. The main content area is divided into three columns:

- Frequently Accessed Pages:** A list of links including Staff Contacts, Accountant Search, Award Search, Budget Development Tools, Careers @ RSP, Check Routing, Compliance, Cost Sharing, Cost Transfer Policy, Database Queries, Effort Reporting, Forms, Frequently Used Data, Gifts, No Cost Extension, Policies & Procedures, Rates, Sub-Agreements, and Training.
- Uniform Guidance:** Updated: February 24th, 2015. **What is the Uniform Guidance?** The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) were released on December 26, 2013. The Uniform Guidance streamlines and supersedes guidance that was previously contained in eight different OMB Circulars, including A-110, A-21, and A-133. The new guidance consists of definitions, uniform administrative requirements (both pre- and post-award), cost principles, and audit requirements. **When will the Uniform Guidance apply?**
  - The Uniform Guidance administrative requirements and cost principles will apply to new and incremental funding awarded **on or after** December 26, 2014. Some Federal agencies will also apply the Uniform Guidance to **incremental** funding awarded after December 26, 2014.
  - Existing federal awards will continue to be governed by the terms and conditions under which they were awarded.
  - Carryover funds may or may not be subject to the Uniform Guidance, depending on the Federal awarding agency.
  - Subpart F, Audit Requirements, will apply to audits of non-Federal entity fiscal years beginning on or after December 26, 2014. For UW-Madison, this will be Fiscal Year July 1, 2015 - June 30, 2016.
  - Application of Federal Regulations by Agency
  - Examples in WISDOM of Awards Subject to the Uniform Guidance
- For More Information:** Federal Register, Uniform Guidance (2 CFR 200), COSR Guide \*Updated 12/32/14, COFAR, COFAR FAQs \*Updated 11/26/14.

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# UW-Madison Guidance

<https://www.rsp.wisc.edu/UG/index.html>

**What is UW-Madison doing to implement the Uniform Guidance?**


The Office of Research and Sponsored Programs has developed strategies for implementation of the Uniform Guidance. Working groups are addressing high priority subjects. A matrix of subjects and their current status is available [here](#).

**Updated UW-Madison Guidance**

- Computing Devices Guidance, FAQs, Request Form
- Direct Charging of Administrative and Clerical Salaries Guidance, FAQs
- Procurement Standards

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## Key Comparisons: OMB Circulars & Uniform Guidance

[https://www.rsp.wisc.edu/UG/Key\\_comparisons\\_Circulars\\_UG.pdf](https://www.rsp.wisc.edu/UG/Key_comparisons_Circulars_UG.pdf)


Key Comparisons: OMB Circulars and the Uniform Guidance

The Office of Management and Budget published the Uniform Guidance (UG) for the management of federal awards on December 26, 2013. The Uniform Guidance combines guidance that was previously contained in eight different OMB Circulars, including A-110, A-21, and A-133, and became effective on December 26, 2014. Awards must be subject to the Uniform Guidance in order for its requirements to apply. To know if your award is subject to the UG, check the Requirements tab in WISDM. For examples, [click here](#).

Key changes that impact proposing and management of federal awards include the following:

Subject	Previous Requirements	Uniform Guidance Requirements
<a href="#">Administrative and Clerical Salaries as Direct Costs on Awards</a>	<ul style="list-style-type: none"> <li>Permissible in limited circumstances for major projects (per A-21, F.6.b.(2) and Exhibit C)</li> </ul>	<ul style="list-style-type: none"> <li>Must be integral to the project</li> <li>Explicitly included in proposed budget or prior written approval from awarding agency required</li> <li>Individuals specifically identified with the project</li> <li>Costs not also recovered as F&amp;A</li> </ul>
Allowable Activities (normally direct costs if	<ul style="list-style-type: none"> <li>Delivering special lectures about specific aspects of the ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Delivering special lectures about specific aspects of the ongoing activity</li> </ul>


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## Applicability of the Uniform Guidance

- Administrative requirements and cost principles
  - New funding awarded on or after December 26, 2014.
  - Some Federal agencies will apply UG to **incremental** funding awarded after December 26, 2014.
- Carryover funds may or may not be subject to UG, dependent on Federal agency
- Existing Federal awards = governed by the terms and conditions under which they were awarded
- Audit requirements = audits for Fiscal Year 7/1/15 - 6/30/16 and future

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## WISDM Example: New Award


- Uniform Guidance applicable as of award start date

[Projects](#) | [Personnel](#) | [Funding Actions](#) | **Requirements** | [Associated Docs](#) | [WISPER](#)

**Terms and Conditions Applicable to this Award**  
 Select terms are shown below to aid award management, but are not all inclusive. Refer directly to the agreement for the complete set of terms.

Term or Condition	
25% Budget Tolerance - Needs Prior Approval	
Carryover Needs Prior to Approval	
Equipment Title with UW	
Other Term and Condition - See Explanation 01	ANNUAL EQUIPMENT USA
Press Publicity	If the grantee plans to issue
90 Day Pre-Award Spend Allwd	
<b>Publications</b>	Please advise all users of th
Award is subject to Uniform Guidance	

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## WISDM Example: Modification to an Existing Award

- Effective date will be entered under "Explanation or Additional Details"

[Projects](#) | [Personnel](#) | [Funding Actions](#) | **Requirements** | [Associated Docs](#) | [WISPER](#)


**Terms and Conditions Applicable to this Award**  
 Select terms are shown below to aid award management, but are not all inclusive. Refer directly to the agreement for the complete set of terms.

Term or Condition	
25% Budget Tolerance - Needs Prior Approval	
Carryover Automatic	
Equipment Title with UW	
90 Day Pre-Award Spend Allwd	
<b>Research Terms and Conditions</b>	
Award is subject to Uniform Guidance	

Explanation or Additional Details


effective 1/1/15

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## Highlights from the Uniform Guidance

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## Cost Principles, Subpart E

- Allowable
- Necessary and reasonable
- Allocable
- Consistently treated
- In accordance with terms and conditions of award
- Consistent with institutional policies and procedures
- Adequately documented

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## Cost Sharing 200.306

- For research proposals, voluntary committed cost sharing is not expected
- Cost sharing cannot be considered during merit review process unless specified in notice of funding opportunity


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## Effort Reporting 200.431

- Did NOT eliminate effort reporting
  - Appears OMB was constrained by OIGs
- Requires adherence with internal controls
  - No specific guidance on acceptable standards for internal controls
- Any significant changes will require auditor input over time
- ECRT system will continue


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## Procurement Standards 200.317-200.326

- Requires use of specific procurement methods
  - Highly prescriptive
  - Derived from state government circular
- Micro-purchase – exempt from competitive bid if purchase is \$3,000 or less
- OMB has now provided a grace period before implementation
- No changes in UW purchasing policy at this point

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## Procurement Standards – Delayed until 7/1/16

<http://www.bussvc.wisc.edu/purch/ipp/ippindx.html>

**Policies and Procedures**

**Purchasing Policies & Procedures (PPPs)** | **Internal Policies & Procedures (IPPs)**

The University of Wisconsin-Madison will continue to comply with the procurement standards in previous OMB guidance, per 2 CFR §200.110(a), for one additional fiscal year after 2 CFR 200 goes into effect. The University will delay implementation of new procurement rules in 2 CFR §§200.317 - 200.326 until July 1, 2016 and in the interim will follow the guidance of the old standards.

**Current Purchasing Policies & Procedures will apply until July 1, 2016.**

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## Subawards 200.330-200.332

- Highlights
  - More prescriptive requirements
    - Perform a risk assessment of the subrecipient
    - Add a lengthy list of elements to the subaward
    - Establish a monitoring plan for the subrecipient
      - Financial review
      - Programmatic review
  - Must use subrecipient's negotiated F&A rate or provide a 10% MTDC "de minimis" rate
- Possibility of delays in issuing subawards


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## Computing Devices

- *Computing devices* means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or "peripherals") for printing, transmitting and receiving, or storing electronic information. (200.20)
  - A supply is an item with an acquisition cost less than \$5,000
- In the specific case of computing devices, charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award. (200.453)

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## Computing Devices Guidance

[https://www.rsp.wisc.edu/UG/ug\\_computing\\_device\\_guidance.html](https://www.rsp.wisc.edu/UG/ug_computing_device_guidance.html)

**Guidance for the Purchase of Personal Computers and Electronic Devices on Sponsored Projects**  
Updated: November 25th, 2014

For awards made on or after 12/26/2014 which are subject to the Uniform Guidance

**Key Notes**

This document is intended to serve as a guide for the UW – Madison campus regarding the purchase of basic electronic tools with funds from sponsored projects. Recent changes in Federal regulations make computing devices allowable as direct costs on Federal awards if they meet certain conditions.

**Computing Devices**

Computing devices are defined in the Uniform Guidance, 2 CFR §200.20 and 2 CFR §200.94:

Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or "peripherals") for printing, transmitting and receiving, or storing electronic information.


A computing device is a supply if the acquisition cost is less than \$5,000, regardless of the length of its useful life.

Throughout this guidance document, the term "computing device" will be used interchangeably with

**Document Links**

- [Guidance](#)
- [FAQs](#)
- [Request Form](#)
- [PDF Version](#)


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## 200.413 Direct Costs (c) Admin & Clerical Salaries

- “The salaries of administrative and clerical staff should *normally be treated as indirect (F&A) costs*. Direct charging of these costs may be appropriate only if all of the following conditions are met:
  1. Administrative or clerical services are **integral** to a project or activity;
  2. Individuals involved can be specifically identified with the project or activity;
  3. Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
  4. The costs are not also recovered as indirect costs.”
- PIs may include these costs in proposal budgets now with a strong justification. Approval is NOT automatic.

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## Guidance on Direct Charging of Administrative and Clerical Salaries

[https://www.rsp.wisc.edu/UG/ug\\_admin\\_clerical\\_guidance.html](https://www.rsp.wisc.edu/UG/ug_admin_clerical_guidance.html)

**Guidance on Direct Charging of Administrative and Clerical Salaries**  
 Updated: February 3rd, 2015

For proposals submitted and awards made on or after 12/26/2014 that are subject to the Uniform Guidance.

**Document Links ::**  
[Guidance](#)  
[FAQs](#)  
[PDF Version](#)


**Key Notes**

Salaries of administrative and clerical staff should normally be treated as F&A costs, but may be appropriate as direct costs if certain conditions are met. This document is intended to serve as a guide for the UW-Madison campus regarding direct charging of administrative and clerical salaries. Approval for these costs resides with the funding agency. Federal agency representatives have been clear that approval for these costs will not be automatic. Budget justifications or prior approval requests should be articulated carefully and thoughtfully.

**Background**

The Federal government's view on administrative and clerical salaries has not changed. In both OMB Circular A-21 and in the Uniform Guidance (2 CFR 200 et al.), the Office of Management and Budget states that administrative and clerical salaries should normally be treated as F&A costs.

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## Prior Approvals 200.407 and Revision of Budget and Program Plans 200.308

- New emphasis on agency prior approvals may slow down research activities
  - Not clear that Federal agencies have adequate staffing to respond quickly
- Examples where prior approval is required:
  - Unrecovered F&A as cost sharing
  - Fixed price subawards
  - Charging administrative salaries
  - Participant support costs on research awards
  - Unusual cost items

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# Federal Agency Terms & Conditions

<https://www.rsp.wisc.edu/UG/index.html>

**Federal Agency Resources**

Environmental Protection Agency

- General Terms and Conditions Applicable to EPA Assistance Agreement Recipients as of December 26, 2014

National Institutes of Health

- NOT-OD-15-065: NIH Interim General Grant Conditions Implementing New HHS Grants Regulations (Uniform Guidance)
- NIH Interim General Grant Conditions
- Frequently Asked Questions: Uniform Guidance and NIH Interim Grant Conditions


National Science Foundation

- Proposal & Award Policies & Procedures Guide (PAPPG)
- NSF Grant General Conditions (GC-1)

Office of Naval Research

- Office of Naval Research, Research Grant Agency Specific Requirements, Interim Terms and Conditions (December 26, 2014)

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# Temporary Federal Prior Approval and Other Requirements Matrix

- [https://www.rsp.wisc.edu/UG/Federal\\_Prior\\_Approvals\\_Feb\\_2015.pdf](https://www.rsp.wisc.edu/UG/Federal_Prior_Approvals_Feb_2015.pdf)

**Federal Prior Approval and Other Requirements Matrix\* -- Updated February 26, 2015**

1) For use on UW-Madison awards subject to the Uniform Guidance until new Research Terms and Conditions are available.  
 2) If agency is not listed, the award should be managed in accordance with the terms and conditions of the award and the Uniform Guidance.  
 3) A post-award prior approval request should be routed through the Dean's or Director's office to the RSP accountant, who will submit it to the Federal agency.  
 4) All information is subject to change as agency implementations and policies are released.  
 \* Any of the waivers noted on this chart may be over-riden by a special term or condition of the award.

	Uniform Guidance Citation(s)	Uniform Guidance determination	EPA	NIH	NSF	ONR	Comments
<b>General Requirements</b>							
Change in Scope	200.308(c)(1) & 200.308(g)(1)	R	R	R	R	R	
Disengagement or Change of PI	200.308(c)(2) & 200.201(b)(5)	R	R	R	R	R	Disengagement of more than 3 months or 25% or greater reduction in level of committed effort
Change in key persons specified in the award	200.308(c)(2)	R	R	R	R	R	
Change in key persons specified in the application	200.308(c)(2)	R	R	W	R	R	
Need for Additional Funding	200.308(c)(8) & 200.308(g)(2)	R	R	R	R	R	
New subawards not already approved in awarded budget	200.308(c)(6)	R					Required per State of WI regulations
Transferring of scope of work	200.308(c)(6)	R	R	R	R	R	
Issuing fixed amount subawards up to Simplified Acquisition Threshold	200.308(c)(6) & 200.332	R	R	W	R	R	
Pre-award costs (90 days)	200.308(d)(1), 200.308(d)(4), & 200.458	W	W	W	W	W	
Pre-award costs (more than 90 days)	200.308(g)(1)	R	R	R	R	R	
Initial no-cost extension of up to 12 months (per competitive segment)	200.308(d)(2) & 200.308(d)(4)	W	W	W	W	W	
Subsequent no-cost extension or extension of more than 12 months	200.308(d)(2) & 200.308(d)(4)	R	R	R	R	R	

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## 200.308 Revision of budget and program plans (c)

### PI Absences/Changes

- Prior approval required for change of PI
- Prior approval required for disengagement from the project for more than 3 months or 25% reduction in effort
- Away from campus does not automatically mean that a PI is disengaged

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## Closeout 200.343

- No stated change for recipient, but...
  - All reports due “no later than 90 calendar days after the end date of the period of performance”
  - New circumstances
    - Pressure on agencies (GAO Study, April 2012)
    - Changes in NIH and NSF financial reporting – award by award
    - Enforcement through 90 days for cash draw
  - Agency authorized extensions
    - NIH: 120 days (Final Federal Financial Report; Final Progress Report; Final Invention Statement and Certification)
    - NSF: 120 days (final financial disbursements only); 90 days for final project reports

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## Questions?

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