



FEDERAL DEMONSTRATION PARTNERSHIP
Redefining the Government & University Research Partnership

Uniform Guidance Updates

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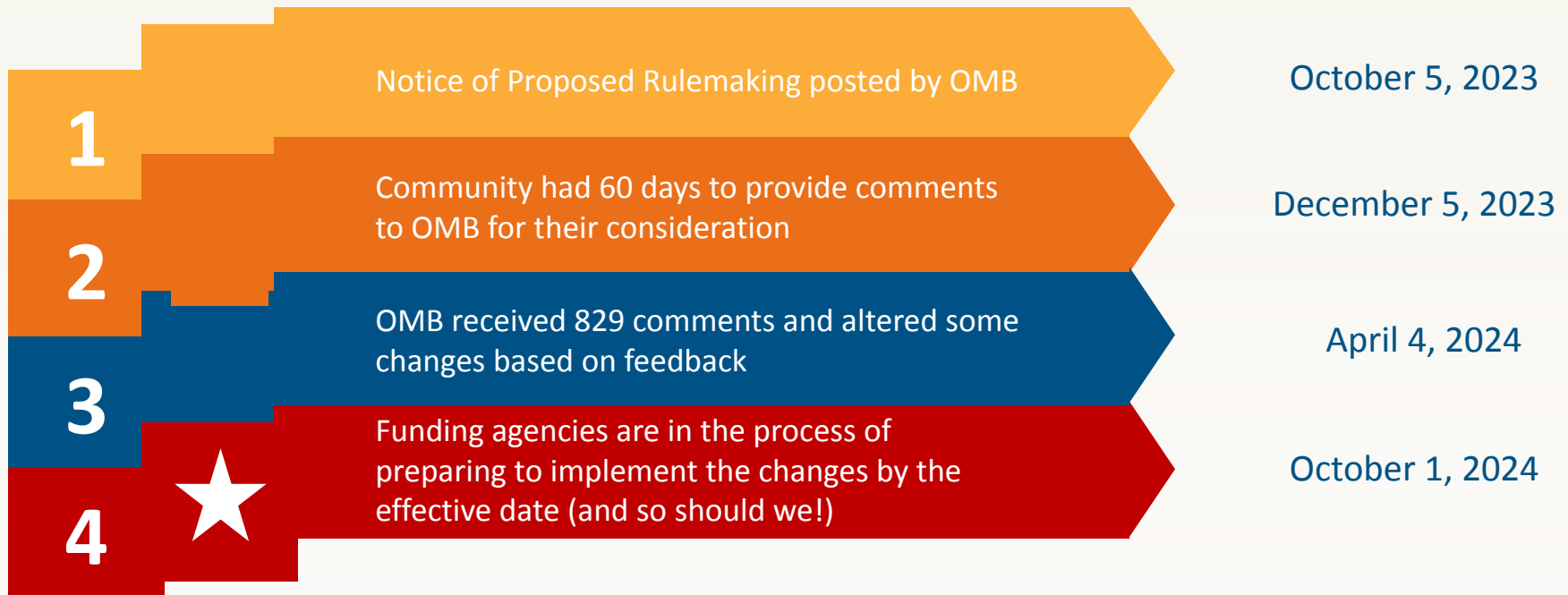


Agenda

- Overview of timeline
- Overview of selected provisions
 - Subawards/Collaborations
 - Financial Oversight
 - Admin Policies
- Dialogue with you!
- Where can FDP help members?



TIMELINE OF CHANGES



Just over 4 months!





Subawards



DS-2 & Single Audit Requirements

The Change

If you have a single audit (threshold now \geq \$1M) you do not need to do the DS-2

Hooray

This is a reduction of administrative burden for many research institutions

Flip Side

Does not alleviate burden for smaller institutions with funding under $<$ \$1M

Those with federal contracts still need DS-2 for FAR requirements

Consider

Increases in this threshold by 25% may change which subrecipients require additional vetting of financial information (hey NSAP pilot)



Appendix II, PTE's Subaward IDC Recovery

The Change

PTEs will be able to recover \$50,000 instead of \$25,000 on every subaward

Hooray

Subawards utilize a lot of resources: this recognizes our investments in collaborations

Flip Side

Many faculty view this as a “tax” eating into valuable research dollars already

Consider

Systems and operational impact with both the subaward overhead recovery and the change in de minimus



200.308.(b) & (f)6: Revision of Budget & Program Plans

The Change

(b) Adds approval requirement for changes/new program scope/objective; adds reference to 200.329 (monitoring)
(f)6: changes in subrecipients require approval when changing the scope of activities or if the agency puts it in the T&C of the award

Hooray

Ties rebudgeting the subrecipient entity changes more closely to programmatic goals perhaps limiting when we have to seek approvals

Flip Side

Section b doesn't change all that much about when we have to ask for a rebudget request, but they do again put the onus on the PTE

Consider

Tying this to subrecipient monitoring very directly implies that they want the PTEs to be looking carefully at how expenditures tie to program objectives and performance



200.329.a: Monitoring

The Change

NEW: “The recipient **and** subrecipient are responsible for the oversight of the Federal award. ... must monitor their activities ... ensure they are compliant with all requirements and meeting performance expectations. Monitoring ... must cover each program, function, or activity. See also § 200.332.”

Hooray

Everyone is responsible for the performance of the award or subaward!

Flip Side

As we will see in 200.332, monitoring responsibilities are heavily weighted to PTE

Consider

Will this change how your institution performs subrecipient monitoring? What can/should FDP do to help here?



200.332.d: Subrecipient T&C's

The Change

If a subrecipient's risk assessment necessitates additional T&C's you must notify the federal agency of the specific conditions

Hooray

This could change how and when PTE's impose award-specific conditions, especially if agency implementations require justifications

Flip Side

It does not indicate what the federal agency will do with that information; do you have to explain the rationale or just provide T&C?

Consider

How the federal agency may change its expectations for sufficient subrecipient monitoring based on the terms the PTE has imposed



200.332.e: Subrecipient Monitoring

The Change

Stronger language that the PTE is responsible for subrecipient monitoring, including ensuring the subrecipient has completed the “goals and objectives of the subaward”

Hooray

Many of the requirements are consistent with the financial oversight we were already performing

Flip Side

Some of the requirements seem to bend more to integrity/performance matters, including obligation to consider when a subrecipient may no longer be able to meet its objectives

Consider

What implications might this have for research integrity and “checking the work” of a subrecipient? The text cites on site reviews, what are the expectations for those?



200.333: Fixed Amount Subawards

The Change

Increases threshold from current Simplified Acquisition Threshold limit to \$500K for fixed amount subawards

Hooray

Provides increased flexibility in making programmatic and budgetary decisions

Flip Side

Fixed amount subs still requires prior approval, make sure it is clear and in writing: see NSF finding re: Oklahoma fixed amount sub

Consider

Does this change make it more desirable to leverage fixed amount subawards more expansively? E.g., make data access an annual deliverable tied to a payment



200.414: Indirect Costs

The Change

PTEs and subrecipients may notify OMB of disputes related to a Federal agency's acceptance of a federally negotiated IDC rate

Hooray

Federal agencies/PTEs may not compel PTEs/subrecipients to use an IDC rate lower than 15%, unless required by statute

Flip Side

How will the Federal agencies handle these disputes? Could it hold up awards?

Consider

Raises the *de minimis* from 10% to 15%; while allowing PTEs and subrecipients to choose higher or lower rate; Consider how / when / if your institutions will negotiate rates



200.415: Required Certifications

The Change

Adds a separate certification for the subrecipient to use “whenever **applying for funds**, requesting payment, and submitting financial reports”

Hooray

Separates certification for PTE and subrecipients

Flip Side

Adds 18 USC 1343 which relates to wire fraud only to the subrecipient attestation

Consider

How will this impact systems at your institution? What about training personnel on the new attestation? Does this implicate proposals (see bold)?



Accompanying OMB M-24-11 & FFATA

The Change

Create an intra-agency consultation group to review definitions of data elements and determine if that element is relevant to FFATA

Hooray

Some data elements are used inconsistently, so clarity would be useful

Flip Side

We may not like the final determinations and this likely will not be subject to a comment process

Consider

Make sure you have someone looking routinely for these tranches of revisions and checking if any changes need to be made



Financial



200.100: Equipment & Supply Threshold

The Change

Raises the capital equipment threshold to $\geq \$10K$ (and thus supplies is raised to $< \$10K$)

Hooray

Fewer items will need to be classified as capital equipment (which does not bear overhead)

Flip Side

More items will be classified as supplies (which does bear overhead)

Consider

How will this impact your rate agreement negotiations? How will this impact monitoring of supply purchases, especially those $> \$5K$?



200.308.(d) & (f)2: Revision of Budget & Program Plans

The Change

(d): requires funding agency to notify us if their review of the revisions will exceed 30 days and provide timeline

(f)2: narrows scope of prior approval to personnel identified in the federal award (removes reference to proposal)

Hooray

These are positive changes that provide more clarity on when we must seek prior approval and provide more structure around delayed approval communications

Flip Side

(f)2 adds in Contractors for which we would normally not notify the government of changes but again these Contractors must be named in the federal award

Consider

Contractors in this use case will likely often be sole source providers or consultants; still poses interesting question of how to track their participation given these usually move through difference offices



200.313: Equipment & Supply Threshold

The Change

Raises the capital equipment threshold to \geq \$10K (and thus supplies is raised to $<$ \$10K)

Add requirement to report loss/damage/theft of equipment that impacts project

Hooray

Fewer items will need to be classified as capital equipment (which does not bear overhead)

Flip Side

More items will be classified as supplies (which does bear overhead)

Reporting requirements for loss/damage/theft: we don't know yet what the expectations will be for timeline, etc.

Consider

How will this impact your rate agreement negotiations? How will this impact monitoring of supply purchases, especially those $>$ \$5K?

You may need to create new connections with facilities and campus PD on loss/damage/theft



200.314: Unused Supplies

The Change

\$10K threshold for unused supplies that may be vested with recipient for use on future projects; if sold, requires proportionate proceeds of any sales to go back to federal agency

Hooray

Changes also allow recipient to keep a portion of any sales of unused supplies

Flip Side

Tracking & accounting for unused supplies
Concerns with tracking this toward the end of the project lifecycle

Consider

Tracking & disposition systems
Do you allow the sale of supplies? Why or why not?



200.413.c: Admin Salaries

The Change

Removes the prior approval by federal agency of admin and clerical salaries

Hooray

This has the potential to reduce administrative burden and provide greater flexibility to charge salaries in direct support of complex programs

Flip Side

Institutions still need to document the direct nexus/benefit to the project and confirm the costs are not already recovered under F&A

Consider

Documenting and retaining documentation of this for the PTE and potential subs will be critical



Administrative & Policy



200.100(a)(1): Consistency

The Change

Language had previously directed federal agencies to minimize additional or inconsistent requirements; revisions remove “inconsistent”

Hooray

Not sure there is a hooray here perse

Flip Side

OMB does not think the word inconsistent is required to understand their meaning that deviation is discouraged unless required by EO, admin requirement, etc.

Consider

Will this materially change how agencies approach proposed deviations with OMB?



200.100 (c): Fair Share Principle

The Change

Removes reference to government paying a “fair share”

Hooray

Fair share is a subjective measure

Flip Side

In its comments OMB asserts that the principles in subpart e are sufficient to ensure government is paying its "fair share"

Consider

Do we think this will have any impact on auditors and the lens through which they review costs?



200.113: Mandatory Disclosures

The Change

Prompt written disclosure to the funding agency's OIG of any **credible evidence** of a violation of Federal criminal law potentially affecting the Federal award

Hooray

In the initial proposal, credible evidence was not defined, it has been tied to FAR definition

Flip Side

OMB argues a **credible evidence** standard is more appropriate as it does not require recipients to make a legal determination that a criminal law has been violated before reporting

Consider

How will this impact how an institution intakes, evaluates and acts upon allegations? How will this change the stage at which an institution may elect to notify the relevant OIG?



200.217: Whistleblower Protections

The Change

Moves Whistleblower Protection requirements from 200.300 to its own section

Hooray

This really isn't a new requirement; it's just moving an existing requirement to make it more visible

Flip Side

There isn't really one; this section continues to outline whistleblower protections; including non-retaliation

Consider

Institution may need to update any whistleblower protection policy documents to reference new citation



OMB Reminder: QSMO

- [M-24-11](#) cites M-19-16
- “Federal agencies are reminded to consult with the lead Grants Quality Service Management Office (QSMO) (GrantsQSMO@hhs.gov) **when updating their grants and cooperative agreements management systems and supporting contracts.** HHS, as the designated Grants QSMO lead agency, has the responsibility for managing such capabilities. QSMOs are responsive to customer agencies that use their services and offer premier capabilities, employing best practices from both the public and private sectors to offer competitive solutions that drive standardization and provide high quality service offerings that are responsive and adaptable to agency business needs.”



What's Next?

Where should FDP focus its efforts to support implementation?



Thank you

We appreciate your engagement and attention!