The Federal Government changed the rules about a year ago

- OMB Circular A-110 is still in effect for awards and funding increments issued prior to December 26, 2014
- 2 CFR Chapter I, Chapter II Parts 200, 215, 220, 225 and 230 is now the “Uniform Guidance”
  - Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards
    - Issued December 26, 2013 and Amended December 19, 2014

You will...

- learn about pre-award requirements
- learn about post award requirements
- explore the federal rules governing cost-sharing
- learn UM’s government property control procedures
Order of Precedence

- Award
- Special Conditions
- Program Rules
- Agency Rules
- CFR Part 200 (UG)

Uniform Administrative Requirements For Federal Awards

- Subpart A Acronyms & Definitions
- Subpart B General Provisions
- Subpart C Pre-Federal Requirements & Contents of Federal Awards
- Subpart D Post Federal Award Requirements

UG Purpose:

"Sets forth the uniform administrative requirements for grant & cooperative agreements, including the federal awarding agency management of federal grant programs."
Terms You Should Know

- Grant Agreement-200.51
- Cooperative Agreement-200.24
- Contract-200.22
- Subaward-200.92

Terms You Should Know (con’t)

- Budget-200.8
- Computing Devices-200.20
- Cost-sharing or matching-200.29
- Equipment-200.33
- Micropurchase-200.67
- Participant Support Costs-200.75

Assistance vs. Procurement

- Assistance: Generally, what the proposer wants to do. Awards are either grants or cooperative agreements.
- Procurement: Generally, what the government buys [can include research]. Awards are contracts.
Subpart B-General Provisions

► Effect on Issues
  • No agency can impose rules that are in conflict with Uniform Guidance

► Deviation
  • OMB can grant exceptions in rare circumstances

► Subawards
  • UG applies to any subrecipients performing work under an award

Subpart C: Pre-Federal Requirements & Content of Federal Awards

► Agency decides what type of funding instrument

► Federal agencies must notify public of funding opportunities via Federal Register, program announcements

Components of Subpart C

► Forms
  • Federal agency specific
  • SF 424, SF 424 R&R

► Special Award Conditions
  • If previous problems, agency can impose additional requirements

► Certificates & Representations (UG 200.208)
  • Must be submitted annually
Aspects of Subpart C

- Written procedure for determining the reasonableness, allocability and allowability of cost
- Accounting records that are supported by source documentation

Subpart D: Post-Federal Award Requirements: Financial and Program Management

- Standards for financial management systems (UG 200.302)
- Payment (UG 200.305)
- Cost sharing or matching (UG 200.306)
- Program income (UG 200.307)
- Revision of budget and program plans (UG 200.308)
- Non-Federal audits
- Allowable costs
- Period of availability of funds

Financial & Program Management (A-110 C.21 and UG 200.302)

- Accurate, current and complete disclosure of each project
- Records that identify adequately source & application of funds
- Effective control over & accountability for all funds, property & other assets
Payments

(A-110 C.22 and UG 200.305)

- Advances
- Reimbursements
- Forms

Cost Sharing

(A-110 C.23 and UG 200.306)

- Cash: the recipient's cash outlay; contributions under the direct control of the recipient.
- In-Kind: value of non-cash contributions provided by non-Federal third parties.

Third Party In-kind:
What Qualifies?

- Webster’s Definition: “with goods or produce rather than money”
  - Volunteer Services
    - Based on rates paid for similar work
    - Associated Benefits
  - Donated Equipment & Supplies
    - At current fair market value
Cash Contributions
“What the University Pays”

- Definition: “the recipient’s cash outlay, including money contributed to the recipient by third parties.”
  - Salaries & benefits of University employees
  - University purchased equipment
  - Facility & Administrative costs on the above
  - Waived F & A Costs (with permission of the sponsor)

Sources of “Cash” Contributions

- University unrestricted funds contributed to project:
  - State funds
  - Gift accounts
  - Endowment funds
  - F&A recovered and returned to departments (i.e. DRIF)
  - Program income

Requirements for Cost Sharing
(A-110 C.23 and UG 200-306)

- Verifiable from the recipient’s records
- Not included as contributions for any other federally-assisted program
- Necessary & reasonable for accomplishment of the project
Requirements for Cost Sharing
(A-110 C.23 and UG 200.306)

- Allowable under A-21 (UG Subpart E – Cost Principles)
- Have not been paid by the federal government under another award
- Provided for in the approved budget

More Cost Sharing

- Conform to other provisions
  - Unrecovered F&A cost may be included only with prior approval
  - Donated supplies and volunteer services values consistent with market rates

Program Income
(A-110 C.24 and UG 200.307)

- Must be reported to the government
- Must be used in one of the following ways:
  - Added to funds committed to the project
  - Used to finance the non-federal share of the project
  - Deducted from the total cost to determine net allowable costs
Revision of Budget or Program Plan
(A-110 C.25 and UG 200.308)

- Required to report deviation from budget & program plans
- Request prior approval for:
  - Change in scope (UG 200.308 (b))
  - Change in key personnel (UG 200.308 (c)(2))
  - Absence for more than 3 months or 25% reduction in time (UG 200.308 (c)(3))
  - The need for additional funding

Expanded Authorities
(A-110 C.25 (e) and UG 200.308)

- Agencies can waive cost-related and administrative prior approvals for:
  - Pre-award Costs (90 days prior to award) (UG 200.308 (d)(1))
  - One-time 12 month extension (UG 200.308 (d)(2))
  - Carry forward of balances (UG 200.308 (d)(3))

Federal Demonstration Partnership (FDP)

- Purpose-to reduce administrative burdens to maximize research productivity
- Mission-to demonstrate that accountability can be maintained while simplifying research administration
Other Aspects of Subpart C (A-110 and UG 200)

- Non-Federal audits (A-110 C.26)
  - Recipients are subject to A-133 / UG 200.5XX (requires external non-fed. audit)
- Allowable cost (A-110 C.27)
  - Recipients are subject to A-21 / UG 200.4XX
- Period of availability of funds (A-110 C.28 and UG 200.309)
  - A recipient may charge to the grant only costs incurred during the funding period

Property Standards (A-110 C.30 -.37 and UG 200.310-315)

- Insurance coverage (UG 200.310)
- Real property (UG 200.311)
- Federally-owned and exempt property (UG 200.312)
- Equipment (UG 200.313)
- Supplies and other expendable property (UG 300.314)
- Intangible property (UG 200.315)

Federally-Owned Property (A-110 C.33 and UG 200.312)

- Tangible property acquired with federal funds or on loan from a federal agency
- Title to federally-owned equipment vests with the government
Equipment
(A-110 C.34 and UG 200.313)

- Nonexpendable, tangible personal property having a useful life greater than one year
- Acquisition cost of $5,000 or more

Property Control

- UM is required to establish and maintain a system for managing and accounting for government property purchased with government funds or on loan from the Federal Government.
- Contracts - FAR sec 52 & 45
- Grants - A-110, Subpart C and UG Subpart D 200.3XX

How Equipment is Audited

- Review accounting system to determine equipment expense
- Determine if budgeted (allowable)
- Review organization’s inventory records
- Review the organization’s process for tagging and locating
- On-site verification
  - Is it in the room reported in inventory records
  - Is the equipment tagged
**Procurement Standards**  
*(UG 200.318-321)*

- All procurement transactions shall be conducted in a manner to provide open and free competition, to the maximum extent practical.
- A minimum of three quotes on orders in excess of $25,000 (small purchase threshold) or a sole-source justification is provided [A.2.(ee)].
- Positive efforts are made to utilize small business, minority-owned firms, and women’s business enterprises, whenever possible.

**Reports and Records**  
*(A-110 C.51 and UG 200.333)*

- Performance reports are required annually and are due 90 days after grant year.
- Final reports are due 90 days after expiration.
- Monitor sub-recipients.

**Financial Reporting**  
*(A-110 C.52 and UG 200.327)*

- Recipients must use form SF-425 to report the status of funds.
- Each agency can determine frequency of financial reports.
### Retention and Access Requirement

(A-110 C.53 and UG 200.333)

- Financial record, supporting documents, statistical records and all other records... must be retained for 3 years.
- FOIA- (Freedom of Information Act)
- Access to data may be requested by federal agencies.

### Termination

(A-110 C.61 and UG 200.339)

- Awards may be terminated in whole or in part if:
  - The recipient materially fails to comply with terms & conditions
  - If the Federal Government and recipient mutually agree to terminate
  - The recipient notifies the Federal Government of termination

### Enforcement/Remedies for Non-compliance

(A-110 C.62 and UG 200.338)

- If a recipient fails to comply with terms
  - Withhold cash payments
  - Deny use of funds & applicable matching credit for all/part of cost
  - Suspend or terminate the award
  - Withhold future awards
  - Other legally available remedies
    - Debarment & suspension
Close-Out Procedures
(A-110 Subpart D.71 and UG 200.343)

- Financial and performance reports must be submitted within 90 calendar days*
- The recipient must refund any advances or payment not authorized
- The recipient must account for any property acquired with Federal funds or received from the Federal Government

* NIH Policy Guide has extended to 120 days, UMCP business practice will continue to file financial reports at 90 days

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