Uniform Guidance for Federal Awards

Presented by:
Terri Waggett, John Counts, Carrie Main, Larry Barnett, Dan Gilbert, Fred Cromp, and Lin Qin
Federal Uniform Guidance

- Streamlines guidance previously contained in eight separate OMB Circulars including A-110 (Administrative), A-21 (Cost), and A-133 (Audit)

- Applies to all new Federal awards and some incremental funding issued on or after December 26, 2014

- Northeastern has established a Uniform Guidance Committee to address changes
Uniform Guidance Overall Goals

- Eliminate Duplicative and Conflicting Guidance
- Focus on Performance and Outcomes
- Increase Efficiency and Effectiveness
- Provide Consistent Treatment of Costs
- Make Best Use of Federal Resources
- Strengthen Oversight Including Formalizing Internal Controls
- Target Audit Requirement of Risk of Waste, Fraud and Abuse
Effective Dates

- Audit requirements will apply beginning July 1, 2015 (FY16)

- Northeastern will apply Uniform Guidance to all awards effective July 1, 2015 (FY16) except Procurement

- Procurement given 1 year grace period beginning July 1, 2016 (FY17)

- Specific guidance issued for NSF and NIH
Focus on Internal Controls (200.303)

- Uniform Guidance places strong emphasis on internal controls to reduce the risk of waste, fraud, and abuse in the stewardship of federal funding.

- **Internal control**, as defined in accounting and auditing, is a process for assuring achievement of an organization's objectives in:
  - operational effectiveness and efficiency
  - reliable internal and external reporting, and
  - compliance with laws, regulations and policies.
Focus on Internal Controls (200.303)

Northeastern is required to:

- Evaluate and monitor compliance with Federal statutes, regulations, and the T&C of the Federal award
- Take prompt action when instances of noncompliance are identified

PIs, department administrators and central offices will need to collaborate to meet these requirements.

Examples of strong internal controls include:

- Design, document and follow effective operating procedures/processes
- Stronger efforts to limit cost transfers
- Practice effective financial review, approvals and control throughout the award period
- Adequately document transactions

Uniform Guidance
Cost Sharing (200.306)

- Two Types:
  1. Mandatory
  2. Voluntary Committed

- Under UG, Voluntary Committed Cost Sharing (unless required by the sponsor) is neither expected nor considered during merit review

- Voluntary Cost Sharing has a high financial and administrative burden and potentially adversely affects NU’s indirect cost rate – Highly discouraged
PI Disengagement (200.308)

- Principal Investigator can be away from campus and remain engaged in the project
- However, prior approval must be obtained from the Federal sponsor for:
  1. Change in scope or objective of the project;
  2. Change in a key person identified in grant application; or
  3. Disengagement from the project for more than three months or a 25% reduction in committed time
Computing Devices (200.453)

- Computing Devices are considered “supplies” if acquisition cost is < $5,000
- Computing devices costing more than $5,000 must be treated as capital equipment
- Can be directly charged to a federal project if they are essential and allocable to the project (not required to be dedicated solely to a specific award)
- Such costs must be explicitly included in the budget or have the prior written approval from the federal sponsor
Reimbursement requests and payment documentation related to travel must justify that participation by the individual is necessary to the Federal Award.

Purpose and justification for travel must be documented in Concur system.

Must comply with University Travel Policy.
Direct charging of these costs may be appropriate if all of the following requirements are met:

1. The services are integral to the project or activity;
2. Individuals involved can be specifically identified with the project or activity;
3. The costs are not recovered as indirect costs (F&A);
4. Such costs must be explicitly included in the budget or have prior written approval.

Uniform Guidance
Administrative & Clerical Salaries (200.413)
Procurement Standards effective December 26, 2015 and for audits beginning FY17

- Goods and services costing $3,000 or more charged to Federal awards require competitive procurement process

- Northeastern is currently assessing procurement procedures to determine steps necessary for compliance with these new standards

Uniform Guidance
### Required Sub-Recipient Monitoring *(200.331)*

**“Evaluate each subrecipient’s risk of noncompliance…”**

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<tr>
<th>Risk Level</th>
<th>Description</th>
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<tr>
<td><strong>Low Risk:</strong></td>
<td>1. No Audit Findings &amp; assessed as low risk by auditors</td>
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<td>2. Minor Audit finding(s) &amp; assessed as low risk by auditors</td>
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<td><strong>Medium Risk:</strong></td>
<td>1. Organization <em>without prior experience</em> with Federal awards</td>
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<td>2. International Organization <em>with sufficient accounting systems &amp; internal controls</em></td>
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<td><strong>High Risk:</strong></td>
<td>1. Prior Audit finding(s) with <em>major deficiencies/material weakness</em></td>
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<td>2. Organization <em>without sufficient accounting systems &amp; internal controls</em> (often international)</td>
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<td>3. Prior or Current PI/Org Debarment or Suspension</td>
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<td>4. Prior <em>Non-Performance</em> with NU</td>
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<td>5. Prior or Current <em>Conflict of Interest</em> with NU (unmanaged)</td>
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High Risk Subcontracts Requirements (Northeastern)

A. More Frequent Monitoring:
   1. Programmatic
   2. Invoices (Expenses align with sub-recipient’s budget and are Reasonable, Allowable, Allocable, and Consistent)

B. More Frequent Communication:
   1. PI and ORAF keep detailed records of communications regarding unsatisfactory performance by the sub-recipient
   2. PI reports any unsatisfactory performance to ORAF promptly

C. Site Visits

D. Stringent Review of Audits:
   1. “Auditees must review and respond to and address all audit findings as quickly as possible, and not wait until audit reports are submitted.” (Huron Education)
   2. Take prompt action when instances of noncompliance are identified

Uniform Guidance
Sub-Recipients are entitled to receive their Federally negotiated F&A rate.

If they do not have one, either a negotiate rate between the pass-through entity (NU) and the sub-recipient can be used; or a 10% *de minimus* (at minimum) rate may be applied unless the Federal Award restricts the F&A rate.

**Uniform Guidance**

*F&A Rates for Subrecipients (200.331)*
Award Closeout (200.343)

- Final progress, financial and other reports are due no later than *90 calendar days* after the end date of the period of performance unless otherwise noted in the award.

- All final billings must be included in the financial closeout report, unless and extension is authorized by the federal sponsor.

Uniform Guidance
The eCFR at [www.ecfr.gov](http://www.ecfr.gov)

### Uniform Guidance

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Also Visit:

ORAF Website-Uniform Guidance:
http://www.northeastern.edu/research/raf/policies-guidelines/omb-uniform-guidance/

NSF Proposal and Award Policies and Procedures Guide at:

NIH Interim Grant General Conditions at: