

Policy Updates from the Uniform Guidance

The Uniform Guidance governs the management of federally funded sponsored projects across the entire project lifecycle. It took effect on **December 26, 2014**. The Uniform Guidance supersedes requirements from OMB Circulars A-21, A-110 and A-133 and streamlines the federal government's guidance on Administrative Requirements, Cost Principles, and Audit Requirements for federal awards. More detailed information is available on Rockefeller University's ("RU") Uniform Guidance website at <http://www.rockefeller.edu/sr-pd/homepage.php>.

Direct Costs

The Uniform Guidance includes revised direct cost principles for federal awards made on or after December 26, 2014. The cost principles identified below highlight select items of cost that should be considered in the budget preparation process and post-award management, in accordance with the Uniform Guidance.

Administrative and 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:

- Administrative or clerical services are integral to a project or activity;
- Individuals involved can be specifically identified with the project or activity;
- Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
- The costs are not also recovered as indirect costs.

Computing Devices

Charging computing devices as direct costs is allowable for devices that are essential and allocable and does not need to be solely dedicated to the performance of a Federal award.

Publication and Printing Costs, including after award end date

Charging of the costs of publication or sharing of research results are now allowable after the end date through closeout of the sponsored project.

Conference Costs, including "beyond" the non-Federal entity

Costs related to a meeting, retreat, seminar, symposium, workshop or event whose primary purpose is the dissemination of technical information and are located beyond the confines of Rockefeller University are allowable. Costs related to internal meetings are not allowable on Federal grants and contracts. Note, if an outside speaker attends an otherwise internal meeting then the costs related to that meeting are allowable.

Subrecipient Monitoring

- The Uniform Guidance includes several additional administrative responsibilities for Rockefeller University as the prime of a subrecipient agreement. It also emphasizes the Prime PI's responsibilities to monitor the subrecipient's technical progress and expenditures to ensure they are reasonable, allowable, and allocable.
- As the prime, before entering into an agreement with a new subrecipient, Rockefeller University must evaluate the risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the sub-award by the subrecipient. Examples provided by the Uniform Guidance are:
 - The subrecipient's prior experience with the same or similar subawards,
 - The results of previous audits ,
 - Whether the subrecipient has new personnel or new or substantially changed systems.
 - The extent and results of Federal awarding agency monitoring
- For each sub recipient, Rockefeller University must inform the subrecipient of the grant CFDA title and

number, award name and number, award year, if the award is research and development and name of federal granting agency as well as other related information. OSPA post award will provide this information.

- The University must make case-by-case determinations whether outside support provided to RU casts the party receiving the funds in the role of a subrecipient or a contractor. This will be performed by the PI with assistance by OSPA. The factors to consider are:
 - Characteristics which support the classification of the non-Federal entity as a subrecipient include:
 - Subrecipient is eligible to receive Federal assistance,
 - Has performance measured as to whether objectives of a Federal program were met,
 - Has responsibility for programmatic decision making,
 - Is responsible for adherence to applicable Federal program requirements,
 - Uses the Federal funds to carry out a program for a public purpose.
 - Characteristics indicative of a procurement relationship between RU and a contractor:
 - Provides the goods and services within normal business operations,
 - Provides similar goods or services to many different purchasers,
 - Normally operates in a competitive environment,
 - Provides goods or services that are ancillary to the operation of the Federal program,
 - Is not subject to compliance requirements of the Federal program.
- The University must ensure compliance of the following:
 - An approved, federally recognized indirect cost rate negotiated between the subrecipient and the federal government. If no such rate exists, a 10 percent de minimis rate should be included.
 - Monitoring the activities of the sub-recipient as necessary to ensure that the sub-award is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the sub-award.
 - Rockefeller University monitoring of the subrecipient must include:
 - Reviewing financial and programmatic reports required by the pass-through entity,
 - Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies,
 - Issuing a management decision for audit findings pertaining to the Federal award provided to the sub-recipient from the pass-through entity as required by 75.521.
 - Management decision 75.521 (a) General. The management decision must clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action.
- As has long been the case, the PI is responsible for monitoring all subrecipients. This requires:
 - Review of subrecipients' progress reports.
 - Review of subrecipients' expenditures to ensure they are reasonable, allowable and allocable.
 - Corrective action and notification to OSPA if subrecipient is not performing.
 - Shorter timeframe for subrecipient to submit final invoices to comply with University closeout procedures.

Conflict of Interest

- This section of the UG does not refer to scientific conflicts of interest (SFI) related to research. Instead, it refers to conflicts related to how decisions are made for selecting sub-recipients or procurement contracts.
- According to the Uniform Guidance, RU must disclose in writing any potential conflict of interest ("COI") to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency

policy.

- Conflict of interest related to selecting subrecipients or procurement occurs when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered to provide goods or services to Rockefeller University.
- Conflict of Interest protocols vary based on individual Federal agency guidance which has yet to be defined in most instances.
- The Rockefeller University will initiate a program to educate the research community regarding the Federal regulations and new internal policies related to sub-recipient or procurement COI and each person's responsibility.

Procurement

- The UG identifies that Rockefeller University must perform certain bidding and documentation procedures. The Procurement Department will bear the responsibility for carrying out these duties. These regulations are of importance to the research community since it could affect the ultimate choice of vendor.
- Implementation of the Procurement regulations is required by **July 1, 2017**.
- RU must adhere to the following guidelines when procuring goods or services within the following dollar thresholds:
 - **Micro-purchase** (<\$3,500) - Any purchase less than \$3,500, does not require bids and related documentation.
 - **Small purchase** (>\$3,500 < \$150,000) – Any requisition greater than \$3,500, needs a least an additional bid or single source justification.
 - **Purchases > \$150,000** – Must use a competitive, seal bid process or sole source.
 - Competitive Proposals – are conducted with more than one source submitting an offer.
 - Sealed Bids- are publicly solicited with sealed bids.
 - **Procurement by noncompetitive proposals (sole sourced)** - solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
 - The item is available only from a single source,
 - The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation,
 - The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity, or
 - After solicitation of a number of sources, competition is determined inadequate.

Award Closeout

- The Uniform Guidance emphasizes that the University must submit, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award.

The table below provides treatments related to the most significant items of cost that have changed as a result of the Uniform Guidance.

Selected Items of Direct Cost

Item No.	Description	Directly chargeable to a federal project?	Comment
1	<u>Administrative and Clerical Salaries</u>	Yes, provided they are integral to the project's objectives and receive Federal agency approval.	Budget justification must explain integral nature of the services to the project. Prior agency approval is required.
2	<u>Computing Devices</u> (under \$5,000/unit)	Yes, provided if they are essential and allocable to the project	Documentation should identify that the computer device is essential to the project. Prior agency approval is not required.
3	<u>Publication and Printing</u>	Yes	Even if incurred after the end date of the award but before closeout. Prior agency approval is not required.
4	<u>Conference Costs</u>	Yes, for conference costs outside RU No, for conference costs within RU	The cost of an internal conference with an outside speaker is allowable.