The Uniform Guidance Workshop
Module 1: Pre-Award

CUMC

Agenda

• Uniform Guidance Updates
• Highlights for Proposal Preparation
• Case Presentation
• Q&A

Introduction

Uniform Guidance:

– Reducing fraud, waste and abuse of Federal grants and cooperative agreements
– Reducing administrative burden
– Consistency & uniformity

Direct impact on:

– Allowable items of costs
– Subrecipient Monitoring (enhanced)
– Financial Monitoring
– Closeout

Presenters – Sponsored Projects Administration (SPA)

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Non-Federal Sponsored Projects

- Non-Federal sponsors have their own policies on allowable costs and F&A rates
- Apply Federal standards to all projects for consistency
- Subaward classification and monitoring just as important
- Need to examine the whole portfolio of both Federal and Non-Federal
  - Were subawards classified correctly?
  - Were expenses charged to correct sponsored projects?
  - Were expenses allocated appropriately between sponsored projects?
  - Effort
  - Overlap (scientific, budgetary, effort)

- More on post-award in Module II

NSF Updates

- FAQs – issued 4/7/15 - NEW
- Issued Grant General Conditions (GC-1)
- Cooperative Agreement Financial & Administrative Terms & Conditions (CA-FATC)

Significant changes

Grant General Conditions:
Read Article 2 – Prior Approval Requirements (Article 3 for Cooperative Agreements)
- Salaries of administrative or clerical staff
  - The justification is critical
- Additional categories of participant support costs, other than travel allowances, registration fees, subsistence allowances or stipends
  - Such as incentives, gifts, souvenirs, t-shirts and/or memorabilia
  - Remember – not meant for employees, meant for participants
  - Such costs will be closely scrutinized by NSF
- "If it’s not in Article 2, doesn’t need prior approval"
NSF: Non-UG Related Updates & Clarifications

- **Chapter II.C.2.g (i) (a) Senior Personnel Salaries & Wages Policy**
  - Limits the salary compensation requested in the proposal budget for senior personnel to no more than two months of their regular salary in any one year.
  - However, if anticipated, any compensation for senior personnel in excess of two months must be included in the budget, justified at proposal submission.
  - NSF must approve this in the award notice budget.

- **Enhanced Auto Compliance checking in FastLane**
  - Page counts and additional budget checks

- **Chapter II.C.2.g(iv) - All travel must now be justified in Line E of the budget**
  - Travel must be specified, itemized and justified by destination and cost.
  - NSF recognizes that not all details may be available during proposal submission.

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**NIH Updates**

- NIH Grants Policy Statement (NIHGPS rev. 3/31/15)
  - Supersedes the Interim T&C issued 2/15

- FAQs:

- 2 presentations:
  - [https://youtu.be/dZGndlxOWtg](https://youtu.be/dZGndlxOWtg) - 3/2/15

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**Proposal Prep Highlights**

- Direct charge of Administrative and Clerical Staff
- Direct charge Computing Devices
- Participant Support Costs
- Voluntary Committed Cost Sharing
- PI Engagement
Participant Support Costs

- Previously allowed only by certain federal agencies or FOA’s
- Now allowed with prior written approval
- Must be programmatically justified
- Budget justification should describe:
  - The purpose for the costs
  - How will directly benefit the proposed project’s scope of work.
- These costs must be excluded when calculating the Modified Total Direct Costs (MTDC) to determine the overall project’s F&A costs

Voluntary Committed Cost Sharing

- Funding agencies prohibited from considering VCCS in merit review
- NSF specifically prohibits VCCS
- Agencies regulation must follow Uniform Guidance
- University policy discourages VCCS in proposal budgets

PI Engagement

- The Uniform Guidance recognizes that a PI can be absent from campus and remain engaged in the project. Prior approval from federal awarding agencies must be obtained for the following program or budget-related reasons:
  - Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).
  - Change in a key person specified in the application or the Federal award.
  - The disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.
Proposal Summary

• Submitted to NIH under the parent R01 FOA
• Multi-site clinical research study
• Domestic and foreign sites
• Includes local blood draws
• Central laboratory processing and analysis

Documents received in SPA

• Proposal
• Statement of Work
  – Prime Project Summary
  – For each subawardee
• Detailed Budget
• Budget Justification
• Subaward Facepage
• Rascal PT

Proposal Submission

• Upon initial review of documents received, what additional document(s) should the Project Officer (PO) request from the PI/DA?

• Why is it needed?

Subrecipient vs. Contractor Classification Form

• The Subrecipient / Contractor Classification Form
  – New UG requirement
  – Pass-through entity must determine whether funding should be issued as a subaward or vendor agreement.
• Classification form must be executed by the Principal Investigator
• Must be sent to SPA at time of proposal submission
Subrecipients vs. Contractors

- Review of classification will be included in future audits
- The determination is based on the nature of the work
  - Subrecipient
    - Programmatic involvement / decision making
    - Provides effort directly related to the specific aims of the project
    - Has publication rights
  - Contractor (vendor)
    - Provides goods or services only
    - Service Agreement

Subrecipient/Contractor Classification Form

- The PI/DA sent the Classification Form to the SPA PO
- The PO carefully reviews the form and immediately contacts the PI/DA to request a discussion regarding the classification noted on the form
- What is the Project Officers concern?

Classification Form

- The Classification Form provided for the Long Island Laboratories (LIL) indicates it is a subrecipient.
- The SOW for LIL states that Dr. Basket will be overseeing the centralized processing and analysis trial-related blood samples.
- Per the SOW, LIL is a fee for service central laboratory (Contractor)
- What needs to be done to make this correction?
  - Amend the Budget / Budget Justification
  - Amend Classification Form
- What additional correction is required on this form?
Proposal Budget

- The attached budget includes clerical staff member as a direct charge under “Other Personnel”
  - Is this an allowable charge?
  - If so, what are the four criteria that must be met to ensure this is an allowable direct charge?

Direct Charge: Administrative/Clerical Salaries

- Requirements that must be met:
  - Administrative or clerical services are integral to a project or activity
  - Individuals involved can be specifically identified with the project or activity
  - Costs are explicitly included in the budget & budget justification
  - Not recovered in the F&A charge

- Not allowable:
  - The salaries of administrative personnel conducting such activities as financial reconciliations, general office clerical work, and proposal preparation
  - These costs are recovered through F&A charges

Administrative/Clerical Salaries

- Is the attached budget justification sufficient?
- Modular grants: costs must be included in the Personnel Justification.
- Once awarded, NIH prior approval is not required to rebudget funds for admin/clerical staff.
  Exception:
  - Prior approval request would need to be submitted when:
    - Additional funds are requested for such a position
    - Incurrence of such costs constitutes a change of scope

Alice Admin – Budget Justification

Alice Admin (Clerical Support, 2.4 CM effort) will be responsible for the scheduling of meetings and conferences between the key personnel and the subrecipients. Ms. Admin will be coordinating all of Dr. Davis’ travel to University of Europe. In addition, she will ensure timely delivery and review of invoices, acquiring progress reports, resolving mid-project issues, monitoring compliance approvals and ensuring timely payments.
Follow Instructions On The FOA

Section IV. Application and Submission Information

Funding Restrictions

- All NIH awards are subject to the terms and conditions, cost principles, and other considerations described in the NIH Grants Policy Statement
- Pre-award costs are allowable only as described in the NIH Grants Policy Statement

Unallowable cost

- Secretarial or clerical support is not allowed

Examples

- Multi-project grants
- Cooperative agreements
- Clinical or Data Coordinating Centers
- Complex projects greater than $500,000 in Direct Costs
- Extensive international collaboration

Proposal Budget

- Includes the purchase of two iPads.
- Is this direct charge allowable?
- Does this item of cost require prior approval from the agency?

Direct Charge: Computing Devices

- Computing devices < $5,000/unit may be directly charged when:
  - Devices are essential and allocable
  - May not be solely dedicated to the project
  - Necessary 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
  - Project does not have reasonable access to other devices or equipment that can achieve the same purpose
  - If the device is to be used for multiple projects, or for sponsored and non-sponsored activities, the cost must be allocated across projects accordingly.
- Items costing more than $5,000 per unit are considered equipment and follow federal capital equipment regulation.
Computing Devices

- Determination of essential and allocable
  - PI responsible for determining whether a device is essential and to what extent the cost is allocable to the project.
- Documentation
  - PI/Department is responsible for maintaining documentation regarding meeting these requirements.

Proposed Subawards

- The proposal and budget includes three proposed subrecipients:
  - Hudson University - domestic
  - University of Europe - foreign
  - Long Island Laboratories - contractor
- Documents required for each proposed subaward
  - Subaward Proposal Face Page (instead of PHS 398 cover page)
  - Statement of Work (SOW)
  - Detailed Budget
  - Budget Justification
  - Subrecipient/Contractor Classification Form
- Proposed Consultants and Vendors/Service Providers will also require the Subrecipient/Contractor Classification Form

Proposed Subawards

- Is the correct F&A rate applied to each proposed subaward?
  - Subaward 1: Hudson University at 10%
  - Subaward 2: University of Europe at 10%
### F&A Rates for Subrecipients

- The proposal must include:
  - Must use subrecipient’s negotiated F&A rate
  - 10% de minimis must be applied if no negotiated F&A rate
  - Unless entity doesn’t charge F&A
  - Cannot coerce to take less than 10%

### Exceptions

- **NSF** – F&A rates of 0% are not acceptable, even if subrecipient elects not to charge F&A, as this would represent a form of voluntary committed cost sharing which is prohibited under NSF’s Cost Sharing Policy.
- **Foreign subrecipients:**
  - NSF - if have US federally negotiated rate, must use, or 10% de minimis
  - NIH – remains capped at 8%

### Subaward Issuance

- New FDP subaward templates
- Includes new required data and modified terminology
- Subaward agreements include new UG Terms & Conditions from PRIME award for increments awarded after 12/26

### Subrecipient Monitoring

- Revised subrecipient monitoring policy
- SPA and RPIC conduct risk assessment of subawardees
- Risk Assessment Questionnaire (RAQ)
  - Internal to SPA
  - All entities in which we have never collaborated
  - All entities in which we have not worked with in > 3 years
- Annual request / assessment audited financials
  - A-133 or equivalent
  - Internal to RPIC

### Risk Assessment Questionnaire

- **High Risk Determination**
  - Currently debarred or suspended
  - Subrecipient institution appear in SAM with federal debt flag
  - Does not have Financial COI policy
  - Does not have established accounting system
  - Does not have an acceptable procurement system
  - Audit finding that may affect award
  - Cost sharing required
  - Financial audit have unsatisfactory findings
  - Foreign entity
  - Total outgoing funds > $750,000
  - Prime award being subcontracted exceeds 50%
High Risk Determination

- SPA initiates a risk assessment of the subawardees.
  - Which subawards will require an assessment with a RAQ?
- Proposed subawardee University of Europe has been determined to be “High Risk”
- What does this mean?
- Can we proceed with a subcontract to this entity?
- What is the Principal Investigator’s responsibility in monitoring this sub?

Monitoring Responsibility

- Principal Investigator is responsible for monitoring subrecipient activities
  - Review of programmatic reports
  - Review of financial reports
  - Documentation of monitoring
- PI must ensure the subaward is used for:
  - Authorized purposes in compliance with T&C of subaward
  - Performance goals are achieved
  - Charges are correct and consistent with the scope of work of the subaward

Resources

- Dedicated website:
  - http://spa.columbia.edu/uniform-guidance
- General questions:
  - uniform-guidance@columbia.edu
- Developed and posted on UG website:
  - Proposal Preparation Guide
  - Cost Principles Reference Guide
  - What PIs Need to Know
- To be developed/ongoing:
  - Revision to policies in Administrative Policy Library
  - Revisions to Sponsored Projects Handbook