



UCLA

Office of Research Administration

Welcome

Marcia Smith
Associate Vice Chancellor for Research

Agenda

Research Administrator Forum December 11, 2014

- **Welcome and Announcements** - *Marcia Smith*
- **UCLA Implementation of: “Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards”** – *Members of the “UCLA UG Workgroup”*
 - **Top Nine Topics for Administrators and PIs**
- **OCGA Updates** – *Patti Manheim* (if time permits)
- **EFM Updates** – *Kevin Cook* (if time permits)
- **Questions and Discussion**

What is Uniform Guidance?

**“Uniform Administrative Requirements, Cost Principles,
and Audit Requirements for Federal Awards”**

**Government-wide guidance for management of grants
and cooperative agreements**

Uniform Guidance

- Combines, modifies and supersedes OMB Circulars:
 - **A-21** Cost Principles for Educational Institutions
 - **A-110** Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations
 - **A-133** Audits of States, Local Governments and Non-Profit Organizations (and A-50 Audit Followup)
 - Other Circulars applicable to State, Local Gov'ts, Indian Tribal Gov'ts and Non-Profits (A-87, A-122, A-89, A-102, A-50)
- **The new single source of guidance for the administrative management, financial management, and audit of Federal grants.**

Structure of Uniform Guidance

Code of Federal Regulations
(2 CFR Chapter I, Chapter II, Part 200, et al.)

Subparts:

- A – Acronyms and Definitions
- B – General Provisions
- C – Pre-Award Requirements/Contents of Awards
- D – Post-Award Requirements
- E – Cost Principles
- F – Audit Requirements

Appendices I – XI (Includes Text of Notices of Funding Opportunities, Subcontract Provisions, F&A Rate Determination rules)

UCLA Uniform Guidance Workgroup

- Ann Pollack
- Anne Skinner
- Annette Klufas
- Bill Dominguez
- Bill Propst
- Cathy Lang
- Celia Adelson
- Christine Lavoie
- Cindy Gilbert
- Claudia Thomas
- Connie Brown
- Craig Gill
- David Beckstrom
- David Jaquez
- Dawn Zelmanowitz
- Dion Baybridge
- Duy Dang
- EnJunaya Canton
- Evan Garcia
- Glen Fukui
- Gloria Kiel
- Harveen Kukreja
- Heather Winters
- Jackson Jeng
- James Nakatsuka
- Jenelle Bossett
- Joe Andreu
- Johnny Kidd
- Jovan Iglesias
- Julia Zhu
- Kathy Kawamura
- Keith Steele
- Kevin Cook
- Kim Duiker
- Lana Song
- Malu Tolentino
- Mark Lucas
- Mary Haskins
- Mary Okino
- Matthew Mcpeck
- Maurice Taylor
- Michelle Phillips
- Nancy Tse
- Neda Navab
- Patti Manheim
- Paula Dion
- Rachel Yglesias
- Rado Lee
- Raellen Man
- Shannon McGarry
- Sharon Lam
- Terry Novorr
- Wendy Ma
- Yessenia Sarmiento
- Yoon Lee

Review of Federal Cost Principles

Costs must be allowable, allocable, reasonable, consistently applied and adequately documented.

A cost is **allowable** when:

- It is compliant with the terms and conditions of the Federal award and the sponsoring agency policy, and Federal regulation
- It is permissible according to UCLA policy
- It is NOT unallowable

A cost is **allocable** when:

- It is incurred solely to benefit the work under the sponsored agreement
- It benefits both the sponsored agreement and other work of the institution, in proportions that can be approximated through use of reasonable methods

Cost Principles

Costs must be allowable, allocable, reasonable, consistently applied and adequately documented.

A cost is **reasonable** when:

- In its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
- It is generally recognized as ordinary and necessary for the proper and efficient performance of the Federal award

A cost is **consistently applied** when:

- It is applied uniformly to both federally-funded and other activities of the University.

Uniform Guidance

200.453
Computing Devices

-- Cindy Gilbert

UG – Computing Devices

UG definition of Computing Devices (200.20):

“Computing devices means machines used 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.”

UG – Computing Devices

Uniform Guidance: 200.453

“Materials and supplies used for the performance of a Federal award may be charged as direct costs. In the specific case of computing devices, charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award.”

Allocability

Direct cost allocation principles

- If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost should be allocated to the projects based on the proportional benefit.

UG – Computing Devices

- Documentation of allocation methodology is required to support a system of internal controls that provides reasonable assurance that amounts charged are accurate, allowable, and properly allocated.
- Documentation should include the signature of the principal investigator or other responsible organizational official.

UG – Computing Devices

What are allowable computing devices?



UG – Computing Devices

UCLA Procedures

Use basic principles to determine appropriateness of budgeting and charging computing devices to Federal grants:

- ✓ Document how the cost is programmatically essential.
- ✓ Document how the cost is allocated among various activities and the reasonableness of the allocation methodology.
- ✓ Provide detailed, programmatic justification in the budget justification or rebudget letter, BruinBuy (with the checklist as an attachment), and/or internal files.
- ✓ When in doubt, consult with OCGA or don't do it.

Uniform Guidance

200.430
Administrative Salaries

-- Mark Lucas

UG – Administrative Salaries

Administrative/clerical salaries are different from programmatic salaries, which may include:

- Costs related to protocol development and maintenance;
- Managing substances/chemicals;
- Managing and securing specific project data;
- Coordination of research subjects that are a part of the project activities.

UG – Administrative Salaries

The salaries of administrative and clerical staff are normally treated as indirect (F&A) costs. Direct charging of these costs may be appropriate **only if all** of the following conditions are met:

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

UG – Administrative Salaries

- Documentation of allocation methodology is required to support a system of internal controls that provides reasonable assurance that amounts charged are accurate, allowable, and properly allocated.
- Documentation should include the signature of the principal investigator or other responsible organizational official.

Allowable as a Direct Cost?

Fund managers providing monthly statements on grant expenditures

No

HR staff processing payroll for grant lab personnel

No

Administrative assistant providing word processing assistance

With sufficient justification

Administrative assistant assisting with subject recruitment

Yes

Project assistant entering information into a tracking study database

Yes

UG – Administrative Salaries

UCLA Procedure

Use basic principles in determining appropriateness of budgeting and charging administrative salaries to Federal grants:

- ✓ Document how the cost is programmatically essential.
- ✓ Document how the cost is allocated among related activities and that there a reasonable method for allocation.
- ✓ Provide detailed, programmatic justification in the budget justification or rebudget letter, and/or internal files.
- ✓ When in doubt, consult with OCGA or don't do it.

Uniform Guidance

200.463(d)
Recruiting Costs
Short-term, Travel Visa Costs

-- EnJunaya Canton

UG - Visa Costs

200.463(d)

“Short-term, travel visa costs (as opposed to longer-term, immigration visas) are generally allowable expenses that may be proposed as a direct cost. Since short-term visas are issued for a specific period and purpose, they can be clearly identified as directly connected to work performed on a Federal award.”

To include these costs in a proposal budget and directly charge them to a Federal award, they must:

- Be critical and necessary for the conduct of the project;
- Be allowable under the applicable cost principles;
- Be consistent with UCLA’s cost accounting practices and University policies; and
- Meet the definition of “direct cost” as described in the applicable cost principles

UG - Visa Costs

Generally Allowable Costs

Visa application fees for a researcher being recruited, who is considered to be “critical and necessary for the conduct of the project.”

There are five types of temporary non-immigrant visas that are used to bring a researcher to the U.S. “for a specific period and purpose”:

- **J-1** Exchange Visitor
- **H-1B** Temporary Worker – Specialty Occupation
- **TN** Temporary Worker – Trade NAFTA
- **E-3** Certain Specialty Occupation Professionals from Australia
- **O-1** Extraordinary Ability

UG - Visa Costs

Unallowable Recruitment Costs

The following fees may **NOT** be charged to a Federal award:

- Expedited or premium processing fees
- Renewal application fees
- Application fees for changes in visa type
- Dependent application/processing fees
- Institutional processing fees (e.g. \$300 DCISS visa service fee, because it is not consistently applied to all funding sources)

Uniform Guidance

200.75

Participant Support Costs

200.68

Modified Total Direct Cost (MTDC)

-- Maurice Taylor, David Beckstrom

Participant Support Costs

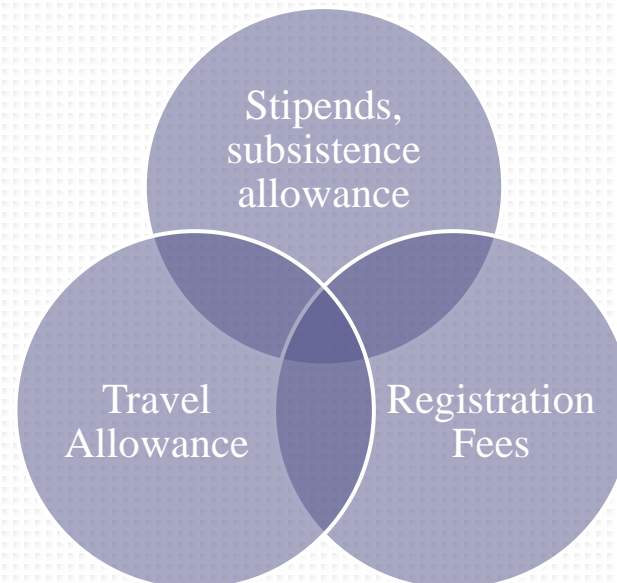
The new Uniform Guidance has made two solid changes related to participant support costs

- Establish definition for Participant Support Costs
- Clarify the treatment of PSC for participants **who are not employees.**

Participant Support Cost

Definition 200.75

Participant Support Costs are direct costs that include stipends, subsistence allowance, travel allowance, and registration fees paid to or on behalf of participants or trainees (not employees) in connection with conferences, or training projects.



Participant Support Costs

Application 200.68

- Uniform Guidance has adopted the NSF treatment of allowing these costs as a budgetary item with prior approval
- These costs have been excluded from the Modified Total Direct Costs base (MTDC) and thus are not included in the calculation of F & A costs

Participant Support Costs

Modified Total Direct Costs:

MTDC 200.68

MTDC **excludes** equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each sub-award and subcontract in excess of \$25,000

Participant Support Costs

UCLA Procedures:

- Identify Participant Support Costs in proposal budgets to determine the proper MTDC base on which to apply the F & A rate
- If possible, establish a new accounting code to systematically identify these costs. Some expense types are the same as other expenses that are still subject to F & A (e.g., travel) but are for trainees instead of employees

Uniform Guidance

200.308

Disengagement of PI

-- Kim Duiker

Disengagement of PI

Uniform Guidance 200.308

Prior Approval required if:

The PI or Project Director is disengaged from the project for more than three months, or has reduced time devoted to the project by more than 25%

Absence \neq Disengagement

The PI or Project Director could be “absent”, continuing his research effort thereby being “engaged”.



Prior Approvals

Reminder:

ALL Prior Approval actions must be processed through OCGA

Uniform Guidance

200.330

Subrecipient and Contractor
Determinations

-- Mary Haskins

Subawards 200.330

Uniform Guidance describes requirements for determining whether a third-party receiving federal assistance funds from UCLA qualifies as a:

- “**subrecipient**” via a *subaward (subgrant)*, or
- “**contractor**” via a *contract* (previous circular used the term “vendor”)

UG requires that UCLA “**must make case-by-case determinations** whether each agreement it makes for the disbursement of ... funds casts the [third] party ... in the role of a **subrecipient or a contractor...**” *(emphasis OCGA)*

Subawards

Let's start with what has not changed:

Criteria/characteristics have not changed –

Section .330 provides essentially the same **criteria** for determining whether a third-party qualifies as either a **subrecipient** (subaward) or a **contractor** (contract) as previous guidance (See the current [OCGA Subaward Team website](#))

Characteristics of Third Party Awards

(essentially no change)

“(a) **Subrecipients**. A subaward is for the purpose of **carrying out a portion of a Federal [assistance] award** and creates a **Federal assistance relationship** with the subrecipient.

Characteristics:

- (1) Determines who is eligible to receive what Federal assistance;
- (2) Has its performance measured in relation to whether objectives of a Federal program were met;
- (3) Has responsibility for programmatic decision making;
- (4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
- (5) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.”

Characteristics of Third Party Awards

(essentially no change)

“(b) **Contractors** [previously called vendors]. A contract is for the purpose of obtaining **goods and services** for the non-Federal entity’s **own use** and creates a **procurement relationship** with the contractor.

Characteristics:

- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;
- (3) Normally operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the Federal program; and
- (5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.”

*Additional Note: Section .330 also provides that “the Federal awarding agency may supply and require subrecipients to comply with **additional guidance**” to determine whether an awardee is a subrecipient or a contractor, as long as such additional guidance does not conflict with § .330. Consequently, this change may or may not lead to individual agencies imposing additional criteria.*

Subawards

Now onto what has changed:

*(c) **Documenting the use of judgment in making determination.***

UCLA “**must** use judgment in classifying each [third-party] agreement as a subaward or a procurement contract.”

This determination already occurs at UCLA; however, UCLA now has to be able to show how and why a particular subrecipient (subaward) vs. contractor (contract) determination was made using the criteria/characteristics supplied above and retention of **determination documentation.**

Subawards

UCLA Procedure (under development)

In development is a new internal **Third-Party Determination Checklist** form which lists the criteria for determining subrecipient (subaward) vs. contractor (contract) -- the **determination documentation**.

PIs will utilize the **Determination Checklist** form to document and certify how he/she makes such determination when third parties are involved in grant awards to UCLA. PIs will complete and sign the new **Determination Checklist** form during proposal development and submit it with the proposal to OCGA/DRA*. Shared responsibility for determination will continue via review at three different stages:

- Proposal development
- Proposal Submission
- Award issuance

**If determined to be a Subrecipient, and not a Contractor, the Subrecipient Commitment Form will be completed by the Subrecipient per current procedure*

Subawards

What PIs Need to Know

Notify PIs of requirement for the forthcoming **Determination Checklist** form that will include the criteria for determining Subrecipient vs. Contractor.

Why is a correct determination important?

- Documented determination is required by Uniform Guidelines
- Determination of subaward (subrecipient) or a contract (contractor) determines the requirements for managing the outgoing funds:
 - UCLA will have to abide by **Procurement Standards or Performance and Financial Monitoring and Reporting and Subrecipient Monitoring and Management rules** with respect to the third-party, etc.

Uniform Guidance

200.331

Requirements for UCLA to
Monitor Subrecipients

-- Mary Haskins

Subrecipient Monitoring

Section .331(d) requires UCLA to take steps to ensure that the outgoing *subaward* is used for authorized purposes:

UCLA “**must . . . [m]onitor** the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved” [emphasis OCGA].

UCLA’s **monitoring** must include:

- Reviewing subrecipient’s **financial** and **programmatic** reports required by the UCLA Agreement,
- Following up detected subrecipient **deficiencies** (identified via report review, audits, on-site reviews, and other means) to ensure that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the award;
- Other tasks, handled by **UCLA central office**, such as risk assessments, management decisions and provision of specified information to subrecipients. For central office, the previous guidance (A-133), provided less prescriptive standards for sub-recipient monitoring.

Subrecipient Monitoring

What has not changed:

What is required by the UCLA PI/department is not really new – UCLA has always been responsible for monitoring a subrecipient's progress.

What has changed:

Financial and programmatic monitoring has to be **documented** for audit purposes.

Subrecipient Monitoring

UCLA Procedure (under development)

The following documents will be modified to have the UCLA PI and subrecipient certify that the subrecipient's performance goals have been achieved:

- Subaward agreement
- Invoice templates
- OCGA/Purchasing Subaward Checklist and Closeout Checklist

Existing language certifies that all **expenditures** reported are appropriate.

Updated language will include (draft only):

*“Subrecipient certifies that all **expenditures** reported...Subrecipient certifies that all necessary **performance goals** have been reached and all activities funded by the subaward were carried out for authorized purposes.”* (Subrecipient); and

*“I am satisfied with the Subrecipient's **progress** to date and to the best of my knowledge; the **costs** included on the invoice **are reasonable and appropriate** for the work performed”* (UCLA PI)

Subrecipient Monitoring

What PIs need to know:

- Notify PIs of requirement to certify financial and programmatic performance when approving subrecipient invoice or other document.
- Remind PIs that in monitoring subrecipient performance, if the PI detects a deficiency, the PI should contact the OCGA Subaward Team as soon as possible to discuss enforcement options provided by the subaward agreement

Subrecipient Monitoring

“de minimus” F&A rate – new!

Uniform Guidance establishes a “de minimus” F&A rate of 10% MTDC for entities who do not have a rate agreement established with the U.S. federal government.

UCLA must provide a subrecipient either:

- The federally negotiated F&A rate, or (if they do not have a negotiated rate)
- The new de minimus rate, set at 10% of MTDC.

UCLA cannot require the subrecipient to waive their applicable F&A unless the prime Federal agency notifies of a different rate as:

- Required by law or regulation, or
- Approved by the agency head based on documented justification.

Uniform Guidance

200.328

Monitoring and Reporting Program
Performance

-- Christine Lavoie

Monitoring and Reporting Program Performance

- Increased importance of submitting timely progress reports
- More prescriptive progress reports using OMB-approved data elements (RPPR)
- Immediate reporting for positive and negative events that have a significant impact on research activity

Monitoring of Performance

200.328 (a)

- Responsible for oversight of the operations

Changes

- Must monitor activities to assure compliance with applicable Federal requirements and performance expectations are being achieved

Performance Reports

200.328 (b)

- The Federal awarding agency must use standard, OMB-approved data elements for collection of performance information

OMB-approved

- Research Performance Progress Report (RPPR)

Performance Reports

OMB Data Collection

- A comparison of actual accomplishments to the objectives of the Federal award established for the period.
- Reasons why established goals were not met, if appropriate.
- Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

Performance Reports

Timely Reporting

- The non-Federal entity must submit performance reports at the interval required by the Federal awarding agency or pass-through entity to best inform improvements in program outcomes and productivity.

Significant Developments

The non-Federal entity must inform the Federal awarding agency or pass-through entity as soon as the following types of conditions become known:

- Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the Federal award.
- Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more or different beneficial results than originally planned.

Uniform Guidance

200.343
Closeouts

-- Maurice Taylor, Jovan Iglesias

90-Day Financial Reporting Requirement

200.343(a):

ALL financial, performance, and other reports as required by the terms and conditions of the Federal award **MUST** be submitted no later than 90 calendar days after the end date of the period of performance

REPORT ON TIME

Consequences

- Non-reimbursement of expenditures
- Risk of losing current and future funding
- Withholding future awards
- Loss of Letters Of Credit (LOC) Privilege
 - Agencies under LOC: NIH/DHHS, NSF, DOE, Department of Education, etc.
 - For FY 13-14, \$497 million (~2,600 awards) in LOC draws
 - ~33% of all C&G awards are under LOC
 - Invoicing individually for each award monthly
 - # of invoices to increase by over 100 per each EFM Accountant

Key Points

- Monitoring awards
 - Monthly Reconciliation
 - Monitor more closely during end of period of performance
- Understand Terms and Conditions of the award
 - Sub-award (Last day to receive final invoice: currently 45 days)
- Due Dates to close an award (subject to change)

Due Dates when closing out an award for a 90-day expiration date

Days after Period of Performance to Close Award	Department/EFM	Submit to
0-60	Department	EFM
61-90	EFM	Sponsor

For additional information on close process, please visit EFM's website:
<http://ora.research.ucla.edu/EFM/Pages/PAMS/Closeout.aspx>

Additional Preventive Steps to
ensure timely closeouts

BE PROACTIVE!

Department Perspective

- Departmental Communication
 - Linked Account Departments: Request Close-outs ASAP
 - Sub-awardees: Obtain their final invoice as soon as you can after grant ends (currently 45 days)
 - Advise PI ahead of time to expedite the close of the award
- Tools
 - Use PAMS and/or RAPID tool to ensure that all items are addressed/reviewed
 - Usage of RAPID tool for monthly reconciliation

Department Perspective (cont.)

- Central Office Communication
 - Work with ORA
 - Contact OCGA for extensions, modifications, etc.
 - Contact EFM accountants during the closeout process to address any questions
 - Work with Purchasing to release encumbrances
 - Work with General Accounting to address recharge IDs from automatically hitting

Potential Challenges

- Awards
 - Training Grants
 - Program Projects or Center grants
 - Grants with numerous accounts and numerous linked departments
 - Awards with Sub-awards
- Expenses
 - Publication and Printing Costs
 - Allowed to charge within 90 days after the period of performance
 - Sub-award (final invoice)



OCGA Updates

Patti Manheim
Director

December 10, 2014

Today's Topics

- Non profits
- NSF & NIH Updates
- Outgoing Subawards
- F&A Exceptions
- Holiday Closure
- Staff Updates

Non-profit Terms and Conditions

- Problematic Terms and Conditions and Intellectual Property Issues
 - Susan G. Komen
 - Andrew W. Mellon Foundation
 - Michael J. Fox Foundation
 - Muscular Dystrophy Association
 - The Buffett Foundation
 - Damon Runyon Cancer Research Foundation
 - AO Foundation
- Proposals may be submitted
 - No guarantee that we can accept awards

NSF Updates

- Fastlane being phased out and replaced by Research.gov
- Proposal System Modernization (PSM) initiative has commenced
 - Modernization and migration of current proposal system from FastLane to Research.gov
 - NSF/Research.gov hosted webinar on 12/4/14
 - Overview of PSM effort
 - Real-time surveys to identify proposal submission improvements
 - Due to high demand, repeat is being scheduled
 - Current users are encouraged to participate
 - Watch ORA News for announcement of exact date and time

NIH Updates

New Biosketch Format:

- NOT-OD-15-032
- Applies to NIH and AHRQ
 - Required for application due dates on or after May 25, 2015
 - Encouraged for application due dates on or after January 25, 2015
 - May use new format now
- Increases from four to five pages
- Important note for S2S Grants:
 - NIH has not provided updated error checking data to Cayuse
 - For now, S2S Grants will generate an ERROR
 - However, application will pass Grants.gov and eRA Commons validations

NIH Reminder

Fellowships and Training Grants:

- Payment in form of *Stipend*
- Salary is not allowable
 - No employer/employee relationship

Outgoing Subaward Modifications

When adding funds

- Item 15 on OCGA/Purchasing Subaward Checklist
 - “Funds Obligated by *this action*”
- Should reflect the new amount to be ***added*** to the sub
- Do not include any previously obligated funds (including carryforward)
 - If carryforward was previously restricted, but is now approved, **add a comment/note.**

F&A Exception Requests

REMINDER: Vital Interest Exception Requests

- Sponsor does not have a published F&A policy, *or*
- Requesting less than allowed under the sponsor's published policy
- Must have Vice Chancellor approval *PRIOR* to submission
 - *Contact your OCGA Officer/Analyst for assistance*

Winter Holiday Closure

- OCGA will close at 5:00 PM on Tuesday, December 23, 2014 and will reopen at 8:00 AM on Monday January 5, 2015.
- Office will not be staffed during this time.
- ANYTHING (applications, JIT, award documents, etc.) with sponsor due dates between December 24, 2014 and January 5, 2015 should be submitted to OCGA no later than 8:00 AM on Wednesday, December 17, 2014.

OCGA New Staff

Mellani Nolan, Senior Grant Analyst

- Effective October 15, 2014
- Over 14 years experience
- UC policy
- Grants and contract expertise
federal/industry state and non profits
 - Central pre-award
 - Departmental pre award
 - Departmental post award
- Berkeley, Mass General, Children's Hospital - Boston

OCGA New Staff

Kathy Kawamura - Assistant Director, Training and Development

- Effective October 21, 2014
- 11 years of experience at UCLA
 - Extensive knowledge, both pre- and post-award, of federal and non-federal funding agencies
 - Developed and conducted internal and external training sessions and workshops
 - Comprehensive understanding of the role and responsibilities of Department Research Administrators (DRAs).

QUESTIONS