

OMB Uniform Guidance is Published in the Federal Register

The interim joint final rule implementing the Uniform Guidance (UG) is now available in the [Federal Register](#) (Vol. 79, No. 244, Friday, December 19, 2014). It is effective for new awards and for selected funding increments, issued on or after December 26, 2014. The 240-page Federal Register notice is structured with introductory comments at the beginning **followed by a listing of the technical corrections/amendments** (pages 75878 through 75889). The UG, itself, will be updated to reflect the technical corrections/amendments at 2 CFR 200.

The bulk and the remainder of the Federal Register notice is a posting of each Agency's implementation plan. COGR is conducting initial analysis and will share more detailed analysis after the Holiday break.

There is a 60-day comment period. Comments must be submitted to OMB through www.regulations.gov no later than midnight EST on February 17, 2015. For general information, please contact Victoria Collin or Gil Tran at the OMB Office of Federal Financial Management, 175 17th Street NW, Washington, DC 20500, or via telephone at (202) 395-3993.

While COGR does not expect to comment with the same level of detail that we have in the past, we will comment on selected topics. PLEASE NOTE, the UG is being released as an "interim joint final rule," which still requires a public comment period to be offered. However, the effective date remains December 26, 2014. The 60-day comment period is standard federal protocol and gives the community one last opportunity to address issues/oversights/egregious errors that still may be of concern.

Also note, the [COFAR](#) website has been updated with new information and resources. In addition, an [OMB Blog](#) written by OMB Controller, David Mader, provides an overview of the Federal perspective on *Transforming the Landscape of Federal Financial Assistance*.

We will keep you updated on all developments, including any recommendations we may have for submitting letters during the public comment period.

OMB Uniform Guidance - Transition into 2015

We expect issues and discussions associated with the OMB Uniform Guidance implementation to be at the forefront of the COGR agenda in 2015. Below are important areas of focus.

Agency Implementation Plan and Ensuing Challenges

We will be challenged by the potential of varying implementation policies and practices made by the agencies. Already, a number of you have shared correspondence from the U.S. Forest Service on how to address open grants or cooperative agreements. The correspondence seems to suggest that the institution has the option to utilize the prior Circulars or the newly released UG for existing awards. Per the email correspondence: "*The Forest Service will assume you will continue work under the regulations cited in your award UNLESS YOU PROVIDE NOTIFICATION IN WRITING that you are implementing the new regulations ...*". Please share

other questions related to agency implementation with COGR, and when we can provide guidance or feedback, we will.

COGR “Implementation and Readiness” Guide to the UG is available

The ***Readiness Guide (DECEMBER 12, 2014 VERSION)*** is a resource to help your institution prepare for and implement the OMB Uniform Guidance. It is available on the homepage of the [COGR Website](#) under Latest News, December 12, 2014. It incorporates guidance and clarifications based on the November 25th, August 29th, and February 12th FAQs released by the COFAR. These [FAQs](#) are available on their website.

However, the ***Readiness Guide*** does not incorporate any technical corrections, clarifications, or agency implementation plans posted in the December 19th edition of the Federal Register. Consequently, we have developed this as a “Living Document” and have notated this document as the DECEMBER 12, 2014 VERSION. We will update, accordingly, after the Holiday break.

The ***Readiness Guide*** is organized into the sections described below. Each section includes: Item (with reference to the applicable section of the Uniform Guidance in parentheses) and Summary and Points to Consider (quick summary and suggested institutional considerations specific to the applicable section of the Uniform Guidance).

A. GENERAL

B. FUNDING AGENCY AND AWARD REQUIREMENTS

C. AWARD ADMINISTRATION

D. SUBAWARDS AND SUBRECIPIENT MONITORING

E. PROPOSING AND CHARGING COST ITEMS (includes initial comments on “effort reporting”)

F. F&A RATE PROPOSALS

Contact COGR staff if you have questions and we will keep the COGR membership updated on the status of possible revisions and updates.

Research Terms and Conditions Update

Tremendous efforts by several Federal agencies and leaders may result in the completion of Research Terms and Conditions in January. If there are awards that are made prior to their availability, Federal awarding agencies may incorporate general terms and conditions either in the Federal award or by reference. Upon release of updated Research Terms and Conditions, OMB and Federal agencies are considering a policy that would allow them to be applied retroactively to research awards that were issued on or after 12/26/14. Pay close attention to new developments related to the release of updated Research Terms and Conditions.

Effort Reporting, aka Compensation & Documentation

COGR will be looking closer at implementation issues and new approaches to Compensation & Documentation after the New Year. We will dust off the 2007 COGR paper, “*Policies and*

Practices – Compensation, Effort Commitments, and Certification”, and review its applicability under the Uniform Guidance. We will keep the Membership posted on how we proceed.

Revising and Submitting the DS-2

We are disappointed that the DS-2 has not been eliminated, though we will make one more strong statement in our response letter during the 60-day public comment period. The process that we described in our email to the ListServe on Friday, December 12th appears to be a reasonable process that should allow the DS-2 to be completed and submitted in a rational manner. We have copied the contents of the December 12th email below and will continue to work with OMB to clarify questions and uncertainties.

- 1) OMB is releasing an updated, New DS-2 form, which should be available in January. Our understanding is that the New DS-2 form will be very similar to the old version, and we hope to have an opportunity to comment/review before it is released.
- 2) The New DS-2 form, ultimately, is where DS-2 revisions should be made, rather than submitting letters of revision to your cognizant agency for indirect costs. However, if you have specific questions applicable to your institution, it may be appropriate to contact your cognizant agency.
- 3) Most of you have begun revising your existing DS-2s. You should continue doing so. However, there may be a copy and paste exercise you need to complete to transfer text to the New DS-2 form.
- 4) The expectation is the New DS-2 should be a “living document” that is regularly updated when you make an applicable change in accounting practice. Once the New DS-2 is available, we believe the expectation will be for institutions to complete a first version of the New DS-2 within 30 to 60 days after the release of the New DS-2 form. This first version of the New DS-2 should be kept-on-file at the institution, and as described above, treated as a living document.
- 5) The New DS-2 should be submitted according to the triggers specified in FAQ .110-3 (for most, this will be at the time of your next F&A rate proposal). This means that many of you will have the New DS-2 sitting on the shelf for a year or more before you submit it to your cognizant agency.
- 6) While COGR has not formally presented this idea to OMB, we are contemplating a proposal that the existing DS-2 be retired and represent policies and practices prior to the UG, and that the New DS-2 represent a prospective, post-UG implementation document. We believe this would minimize the burden of the revision process.
- 7) While COGR remains frustrated that we are the only stakeholder subject to the DS-2 requirement, the “win” out of this process is that institutions can implement changes that are allowed in the UG immediately without the need for approval by the cognizant agency. The one expectation, again, is that institutions should treat the New DS-2 as a living document that accurately reflects their current accounting practices, even if it has not been submitted.
- 8) Finally, as the cognizant agencies have been relieved of the burden of receiving stacks and stacks of revised DS-2s, we think they will be in a better position to approve those accounting changes that require an approval. However, for the most part, the DS-2 approval process has been uncertain for the past ten years, and exactly how the approval process will work under the UG may still be a work in progress.

Important Contributions from COGR Leaders and the Membership

COGR responded to the “Request for Information (RFI): Input on Reduction of Cost and Burden Associated with Federal Cost Principles (OMB Circular A-21)” in the Summer of 2011. You may recall this was followed by the creation of the Federal “A-21 Task Force”, followed by the “Advance Notice of Proposed Guidance (ANPG)” in February of 2012, followed by the “Proposed OMB Uniform Guidance” in February of 2013, followed by the “OMB Uniform Guidance” in December of 2013, and finally, resulting in the “Final Version of the OMB Uniform Guidance” as posted in the December 19th edition of the Federal Register.

Over this 3½ year journey, we have responded to all Federal Register notices, produced ongoing guidance and recommendations to the COGR Membership, presented thoughtful and thorough sessions at the COGR meetings, participated in numerous conference calls and meetings (both COGR-internal and with federal representatives), and advocated and strategized for the best possible final version of the Uniform Guidance.

This absolutely has been achievable because of the leadership, commitment, and expertise that you, the COGR membership, bring to the table. In regard to the activity we have engaged in 2014, below are the names (in alphabetical order) of those who actively have participated in this phase of COGR’s work on the OMB Uniform Guidance.

2014 Leadership Group:

Sara Bible (Stanford)
Mary Lee Brown (Penn)
Dan Evon (Michigan State)
Geoff Grant (Emeritus)
Cindy Hope (Alabama)
Mike Ludwig (Chicago)
Jim Luther (Duke)
Kim Moreland (Wisconsin)
Pamela Webb (Minnesota)

RCA and Other Contributors:

Pam Caudill (Harvard Medical)
Michelle Christy (MIT)
Erica Kropp (Maryland-CES)
Kerry Peluso (Emory)
Susie Sedwick (Texas, Austin)

Costing and Other Contributors:

Jim Barbret (Wayne State)
Sue Camber (U of Washington)
Mike Daniels (Northwestern)
Kelvin Droegemeier (Oklahoma)
Joe Gindhart (Washington U)
Terry Johnson (Iowa)
Mike Legrand (UC Davis)
Ron Maples (Tennessee)
Lynn McGinley (Maryland-Balt)
Alison Monroe (Duke)
Naomi Schrag (Columbia)
Cathy Snyder (Vanderbilt)
Jennifer Wei (Northwestern)

And this is not the complete list. Many of you and your colleagues at your institutions have contributed insights either through channeling your comments through the leadership at your institution, or by directly contacting COGR staff. We appreciate all the input that you have provided; thank you! We look forward to working with you during the next phase of the implementation of the OMB Uniform Guidance in 2015.