Introduction

The OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule – 2 CFR Chapter I, Chapter II, Part 200, et al. (i.e., the Uniform Guidance, or the UG) was released on December 26, 2013. The implementation date is scheduled for December 26, 2014, with the exception of the audit requirements, which are scheduled to be effective the first fiscal year that begins after December 26, 2014.

VERSION 2 of the COGR Guide is an update to VERSION 1 (dated April 17, 2014). The updates in VERSION 2 are refined COGR assessments based on FAQs released by the COFAR on August 29th, and in some cases, other updates of importance. We only address those FAQs that relate to sections that we have covered. However, we encourage you to read the entire FAQ document. The FAQs represent the second set of FAQs released by the COFAR; the first set was released on February 12th. Both set of FAQs are available at https://cfo.gov/cofar/. Note, the COFAR disclaims the FAQs by stating that: “... in case of any discrepancy, the actual guidance at 2 CFR 200 governs.” While COGR believes the FAQs contain helpful clarifications, we are concerned that FAQs alone could leave certain authorities ambiguous. Consequently, we are advocating that the FAQs be more formally sanctioned through a variety of mechanisms.

This COGR Guide includes those items that COGR believes are the most significant. We may address additional items, as needed, in subsequent COGR publications. COGR members will be notified of all revisions. Note, the COGR Guide is not official implementation guidance, as this will come from OMB and the federal agencies over the remainder of the year. Also note, prior to implementation of the Uniform Guidance on December 26, 2014, each federal agency is required to finalize an agency implementation plan with OMB. With the exception of the NSF plan, which was made available for public comment on May 9th, other agency plans will not be available until shortly before the December 26th implementation date. While we expect we will be able to comment on agency plans, this means that the Uniform Guidance will go into effect without a full vetting of the agency plans.

The Uniform Guidance is applicable to Institutions of Higher Education (IHEs) and Nonprofit Research Institutions, as well as other non-federal entities including States, Local and Tribal governments and nonprofit organizations. The COGR Guide is targeted to the IHEs and Nonprofit Research Institutions that comprise the COGR Membership. As specified in the preamble to the Uniform Guidance, the cost principles for Hospitals may be addressed in the future.

VERSION 2 includes most of the same information as VERSION 1. The columns titled “Section”, “Title”, and “Text from the Uniform Guidance” are excerpted from the Uniform Guidance. “Cross Ref” provides selected cross references to applicable sections from the existing Circulars and serves as a point of comparison. The “Open Item” column from VERSION 1 has been deleted; however, the Red text (associated with open items) from the “COGR Assessment and Next Steps (VERSION 1)” column remains. We have added a final column, “COGR Update (VERSION 2)”, which includes our updated assessments, and when applicable, next steps. Purple text is used to highlight the VERSION 2 assessments.

COGR will continue developing resources for the COGR membership leading up to the implementation of the Uniform Guidance on December 26, 2014, and as necessary, after the implementation. Our commitment is to keep the COGR membership informed on all important developments.
### Subpart A – Definitions

Definitions that require further explanation are addressed, as applicable, in the sections that follow. A more complete analysis of the Definitions section may be available at a later date.

### Subpart B – General Provisions

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Text from the Uniform Guidance</th>
<th>Cross Ref</th>
<th>COGR Assessment and Next Steps (VERSION 1)</th>
<th>VERSION 2, COGR Update</th>
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</thead>
<tbody>
<tr>
<td>200.100</td>
<td>Purpose</td>
<td>(a)(1) This Part establishes uniform administrative requirements, cost principles, and audit requirements for Federal awards to non-Federal entities, as described in § 200.101 Applicability. Federal awarding agencies must not impose additional or inconsistent requirements, except as provided in §§ 200.102 Exceptions and 200.210 Information contained in a Federal award, or unless specifically required by Federal statute, regulation, or Executive Order.</td>
<td></td>
<td>Section (a)(1) states that the Uniform Guidance establishes the applicable requirements and principles for Federal awards to non-federal entities. It also references section 200.101, Applicability, which defines that the Uniform Guidance is, first and foremost, guidance to the federal agencies.</td>
<td></td>
</tr>
<tr>
<td>200.101</td>
<td>Applicability</td>
<td>(a) General applicability to Federal agencies. The requirements established in this Part apply to Federal agencies that make Federal awards to non-Federal entities. These requirements are applicable to all costs related to Federal awards.</td>
<td></td>
<td>Section (a) defines that the Uniform Guidance is, first and foremost, guidance to the federal agencies. Through the establishment of Agency implementation plans, the Uniform Guidance becomes agency policy. Section (b)(1) provides the table that describes that Subparts C and D (and FAQ .101-1 addresses the applicability of Subparts E and F to FAR based contracts. In the near future, the FAR will need to incorporate Subpart</td>
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</tbody>
</table>
Federal awards. The following table describes what portions of this Part apply to which types of Federal awards. The terms and conditions of Federal awards (including this Part) flow down to subawards to subrecipients unless a particular section of this Part or the terms and conditions of the Federal award specifically indicate otherwise …

200.111, 200.112, and 200.113 of Subpart B) are applicable to grant agreements and cooperative agreements, but do not apply to cost reimbursement contracts (and corresponding subcontracts) awarded under the FAR. Subpart E is applicable to grants, cooperative agreements and cost-reimbursement contracts (and not applicable to fixed amount awards). Subpart F (Audit) is applicable to all instruments.

The process in which the FAR incorporates sections of the Uniform Guidance is to be determined and will be monitored by COGR.

200.102

<table>
<thead>
<tr>
<th>Exceptions</th>
</tr>
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<tbody>
<tr>
<td>(a) With the exception of Subpart F [Audit] … OMB may allow exceptions … Exceptions for classes of Federal awards or non-Federal entities will be published on the OMB website at <a href="http://www.whitehouse.gov/omb">www.whitehouse.gov/omb</a>.</td>
</tr>
</tbody>
</table>

[ALSO IN THIS SECTION]

(d) On a case-by-case basis, OMB will approve new strategies for Federal awards when proposed by the Federal awarding agency in accordance with OMB guidance (such as M-13-17) to develop additional evidence relevant to addressing important policy challenges or to promote cost-effectiveness in and across Federal programs … Proposals submitted to OMB in accordance with M-13-17 may include

Section (a) requires that exceptions be posted on the specified OMB website (see 200.107).

This sets a higher bar for agency exceptions by requiring agency compliance with the Paperwork Reduction Act of 1995 (see 200.206). When agencies are out of compliance, engagement with OMB may be appropriate.

Section (d) allows federal agencies to propose new strategies to OMB that would improve program effectiveness, with the assumption that non-federal entities could share ideas with the federal agencies and with OMB, as well.

Upon implementation, COGR will recommend that institutions document

The COFAR has indicated “agency deviations” will be an official metric to help determine the effectiveness of the UG.

COGR will collect data from members, as appropriate, to document agency deviations and/or agency policies and practices.
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<td>requests to waive requirements other than those in Subpart F - Audit Requirements of this Part.</td>
<td>agency exceptions and deviations. COGR will further recommend that institutions look for areas where the Uniform Guidance can be improved, and to share those ideas with COGR and federal officials.</td>
</tr>
<tr>
<td></td>
<td><strong>200.107 OMB Responsibilities</strong></td>
<td>OMB will allow agency exceptions; however, the Uniform Guidance formally establishes standards for exceptions (see 200.102 and 200.206).</td>
</tr>
<tr>
<td>200.107</td>
<td>OMB will review Federal agency regulations and implementation ... and will provide interpretations of policy requirements ... Any exceptions will be subject to approval by OMB ...</td>
<td>OMB will review Federal agency regulations and implementation ... and will provide interpretations of policy requirements ... Any exceptions will be subject to approval by OMB ...</td>
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<td></td>
<td><strong>200.109 Review Date</strong></td>
<td>Supports ongoing engagement between OMB and the grant recipient community.</td>
</tr>
<tr>
<td>200.109</td>
<td>OMB will review this Part at least every five years after December 26, 2013.</td>
<td>OMB will review this Part at least every five years after December 26, 2013.</td>
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<tr>
<td></td>
<td><strong>200.110 Effective / applicability date</strong></td>
<td>Implementation date of 12/26/14 for all Subparts, except Subpart F, which will be effective the first FY beginning after 12/26/14.</td>
</tr>
<tr>
<td>200.110</td>
<td>(a) ... Federal agencies must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014 ...</td>
<td>FAQS .110-7 and .110-12 specify that Incremental Funding on existing awards, post 12/26/14, is subject to agency discretion on whether the old circulars or the UG applies. If the UG is to be applicable, the Incremental Funding will be issued with modified terms and conditions. COGR is seeking clarification on implementation date and applicability to F&amp;A rate negotiations.</td>
</tr>
</tbody>
</table>
### 200.112 Conflict of interest

The Federal awarding agency must establish conflict of interest policies for Federal awards. The non-Federal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

This was not part of Proposed Guidance, and as a result, there was no opportunity to comment. Disclosure in writing of any “potential conflict of interest” is an ambiguous and unclear expectation and could result in new burden if agencies are compelled to establish unique and complex disclosure requirements.

**COGR believes an effective approach would be for agencies to implement a simple and uniform definition, such as the FAR definition, and COGR will advocate for this, accordingly.**

**COGR will review Agency implementation plans and comment, as appropriate.**

Upon implementation, **COGR will recommend that institutions document any new burden caused by the new disclosure requirement.**

FAQ .112-1 specifies this section of the UG does not refer to scientific conflicts of interest related to research. Instead, it refers to conflicts related to how decisions are made for selecting subrecipients or procurement contracts.
200.113  **Mandatory disclosures**  
The non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures can result in any of the remedies described in §200.338 Remedies for noncompliance, including suspension or debarment. (See also 2 CFR Part 180 and 31 U.S.C. 3321).

**NOTE:** COGR did not address this section in VERSION 1 (April 17, 2014) of the COGR Guide.

COGR’s view is that this section does not change the current obligation and responsibility to disclose and report. The FAR has provisions (Subpart 3.10 Contractor Code of Business Ethics and Conduct; see also DFARS Subpart 209.5; EDAR 3409.5; etc.) and institutions that receive Federal contracts already should have a mechanism for meeting this FAR requirement. Institutions should review current policies and practices (e.g., posting of hotline numbers, reportable violations, materiality levels, timeliness for reporting, etc.) to ensure that they are able to meet their current obligations to report.
### Subpart C – Pre-Federal Award Requirements and Contents of Federal Awards

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<tr>
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<tr>
<td>200.201</td>
<td>Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts</td>
<td>(b) Fixed Amount Awards ... Federal awarding agencies, or pass-through entities as permitted in § 200.332 Fixed amount subawards, may use fixed amount awards (see § 200.45 Fixed amount awards) to which the following conditions apply ...&lt;br&gt;&lt;br&gt;1) Payments are based on meeting specific requirements of the Federal award. Accountability is based on performance and principles (or other pricing information) as a guide. Except in the case of termination before completion of the Federal award, there is no governmental review of the actual costs incurred by the non-Federal entity in performance of the award. The Federal awarding agency or pass-through entity. The Federal awarding agency or pass-through entity may use fixed amount awards if the project scope is specific and if adequate cost, historical, or unit pricing data is available to establish a fixed amount award with assurance that the non-Federal entity will realize no increment above actual cost ...&lt;br&gt;&lt;br&gt;2) A fixed amount award cannot be</td>
<td></td>
<td>Subpart A, Definitions (see 200.45 Fixed amount awards) includes apparently favorable language specifying “… a type of grant agreement under which the Federal awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred under the Federal award. This type of Federal award reduces some of the administrative burden and record-keeping requirements for both the non-Federal entity and Federal awarding agency or pass-through entity. Accountability is based primarily on performance and results …”&lt;br&gt;&lt;br&gt;However, section (b), which is above and beyond the definition in section 200.45, creates requirements that may make the use of this type of award more challenging. These requirements, apparently, would be applicable to both awards made directly to a non-federal entity and for subawards issued by the pass-through entity (see section 200.332 Fixed amount subawards).</td>
<td>FAQs .201-1 thru .201-3 address 1) agency standards, 2) the definition of salary cost caps in the context of mandatory cost sharing (also see section 200.306), and 3) reporting documentation requirements as each relates to Fixed Amount Awards. For COGR comments on Fixed Amount Subawards, see section 200.332.</td>
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<tr>
<td>200.203</td>
<td><strong>Notices of funding opportunities</strong></td>
<td>(b) The Federal awarding agency must generally make all funding opportunities available ... for at least 60 calendar days ... no funding opportunity should be available for less than 30 calendar days ...</td>
<td>60 calendar days sets a clear standard that could help institutions better manage submission of funding applications. However, agencies still can make determinations for less than 30 days. In addition, it is not clear how amendments to funding announcements may impact the 60 calendar day standard. <strong>Upon implementation, COGR will recommend that institutions document exceptions to the 60 calendar day standard.</strong></td>
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<td>Upon implementation, COGR will recommend that institutions document issues that arise when the institution is the direct recipient of a fixed amount award. Upon implementation, COGR will recommend that institutions document issues that arise when the institution issues a subaward in the form of a fixed amount award (also see comments to section 200.332, Fixed amount subawards).</td>
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COGR will collect data from members, as appropriate, to document agency deviations and/or agency policies and practices.
The Federal awarding agency must design and execute a merit review process for applications. This process must be described or incorporated by reference in the applicable funding opportunity (see Appendix I to this Part, Full text of the Funding Opportunity.)

C. Eligibility Information ...

2. Cost Sharing or Matching—Required. Announcements must state whether there is required cost sharing, matching, or cost participation without which an application would be ineligible (if cost sharing is not required, the announcement must explicitly say so) ...

[ALSO IN THIS SECTION]

E. Application Review Information ...

1. Criteria required ... If an applicant’s proposed cost sharing will be considered in the review process ... the announcement must specifically address how it will be considered ... If cost sharing will not be considered in the evaluation, the announcement should say so, so that there is no ambiguity for potential applicants. Vague statements that cost sharing is encouraged, without clarification as to what that means, are unhelpful to applicants ...

Inappropriate requests for cost sharing was addressed in a June 23, 2003 OMB Directive; however, the Directive was inaccessible and difficult to enforce.

Incorporation of the language from the 2003 OMB directive into Appendix I to Part 200 -- Full Text of Notice of Funding Opportunity (sections C.2. and E.1) should be helpful.

Upon implementation, COGR will recommend that institutions document inappropriate agency requests for cost sharing.

COGR will collect data from members, as appropriate, to document agency deviations and/or agency policies and practices.
### 200.205  Federal awarding agency review of risk posed by applicants

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<td>(a)</td>
<td>Prior to making a Federal award, the Federal awarding agency is required by 31 U.S.C. 3321 and 41 U.S.C. 2313 note to review information available through any OMB-designated repositories of governmentwide eligibility qualification or financial integrity information …</td>
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<td>(b)</td>
<td>In addition, for competitive grants or cooperative agreements, the Federal awarding agency must have in place a framework for evaluating the risks posed by applicants before they receive Federal awards … If the Federal awarding agency determines that a Federal award will be made, special conditions that correspond to the degree of risk assessed may be applied to the Federal award …</td>
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<tr>
<td>(c)</td>
<td>In evaluating risks posed by applicants, the Federal awarding agency may use a risk-based approach and may consider any items such as the following …</td>
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<tr>
<td>(d)</td>
<td>In addition to this review, the Federal awarding agency must comply with the guidelines on governmentwide suspension and debarment in 2 CFR Part 180, and must require non-Federal entities to comply with these provisions …</td>
</tr>
</tbody>
</table>

**NOTE:** COGR did not address this section in VERSION 1 (April 17, 2014) of the COGR Guide.

### FAQ .205-1 specifies that this section of the UG applies to Federal awarding agency assessment of risk, not auditor assessment. COGR will monitor implementation of this section of the UG and related agency policies and practices.

### 200.206  Standard application requirements

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<tbody>
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<td>(a)</td>
<td>Paperwork clearances. The Federal awarding agency may only use application information collections approved by OMB under the Paperwork Reduction Act of 1995 and OMB’s implementing</td>
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<td>Sets a higher bar for agency exceptions by requiring agency compliance with the Paperwork Reduction Act of 1995. When agencies are out of compliance, engagement with OMB may be</td>
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<td>(b)</td>
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<tr>
<td>(c)</td>
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<td>(d)</td>
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</table>
regulations in 5 CFR Part 1320, Controlling Paperwork Burdens on the Public ... OMB will authorize additional information collections only on a limited basis.

| 200.210 | **Information contained in a Federal award** | (b) General Terms and Conditions  
(1) Federal awarding agencies must incorporate the following general terms and conditions either in the Federal award or by reference, as applicable:  
(i) Administrative requirements implemented by the Federal awarding agency as specified in this Part ... | Research Terms and Conditions (RTCs) were applicable by reference to OMB Circular A-110 (2CFR Part 215). Implementation of the Uniform Guidance makes the existing RTCs no longer applicable.  
COGR is seeking clarification on applicability of the existing RTCs and will work with the FDP and appropriate federal officials to secure applicability of existing or new RTCs. | Updated RTCs are under development. Timing still is to be determined. |

### Subpart D – Post Federal Award ... (Standards for Financial and Program Management)

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<tr>
<td>200.301</td>
<td><strong>Performance measurement</strong></td>
<td>The Federal awarding agency must require the recipient to use OMB-approved governmentwide standard information collections when providing financial and performance information ... the Federal awarding agency must require the recipient to relate financial data to performance accomplishments of the Federal award. Also, in accordance with</td>
<td>A-110 C.51</td>
<td>This section states that the existing Research Performance Progress Report (RPPR) will remain the acceptable report to measure project performance. The definition of “Performance goal” (see 200.76) provides support by identifying discretionary research awards as an example where submission of a technical performance report (i.e., the RPPR) is</td>
<td>COGR will collect data from members, as appropriate, to document agency deviations and/or agency policies and practices.</td>
</tr>
</tbody>
</table>
above mentioned governmentwide standard information collections, and when applicable, recipients must also provide cost information to demonstrate cost effective practices...

acceptable to meeting the requirements for performance measurement. Discretionary research awards also are referenced in section 200.210(d). Also see section 200.328, Monitoring and reporting program performance.

The language in this section stating: “Also, in accordance with above mentioned governmentwide standard information collections, and when applicable, recipients must also provide cost information to demonstrate cost effective practices”, most likely should not result in additional information collections requirements. Previous sections of the Uniform Guidance (see 200.102 and 200.206) set a high bar for agency exceptions by requiring agency compliance with the Paperwork Reduction Act of 1995 (see 200.206). When agencies are out of compliance, engagement with OMB may be appropriate.

**COGR will review Agency implementation plans and comment, as appropriate.**

| 200.303 | **Internal Controls** | The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award ... These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” [i.e., *the Green Book*] issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, A-21 C.4.d2 A-133 (many times) | FAQs to the Uniform Guidance are posted on [https://cfo.gov/cofar/](https://cfo.gov/cofar/), FAQ III-4 states: “While non-Federal entities must have effective internal control, there is no expectation or requirement that the non-Federal entity document or evaluate internal controls prescriptively in accordance with these three documents [i.e., *the Green Book, COSO, Compliance*]... The first clarifies the use of “must” and “should” in the UG. The second specifies that it is not a... |
issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Supplement – Part 6 Internal Control] or that the non-Federal entity or auditor reconcile technical differences between them. They are provided solely to alert the non-Federal entity to source documents for best practices …"

COGR is seeking additional clarification on if/how this standard should be implemented at institutions, and further, if/how the audit community will reference this standard during the course of audits.

Note, FAQ .303-1 states the COFAR will review the use of “should” to determine if technical corrections to the UG are needed. COGR will monitor all developments to this section and related auditor perspectives.

Also note, the GAO released “Standards for Internal Control for the Federal Government” (i.e., the Green Book) in September 2014.


<p>| 200.306 | <strong>Cost sharing or matching</strong> | (a) Under Federal research proposals, voluntary committed cost sharing is not expected. It cannot be used as a factor during the merit review of applications or proposals, but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a | A-110 C.23 | Agencies should not compel an institution to include voluntary committed cost sharing in its proposals. If cost sharing is to be used in the merit review process, the funding announcement must clearly state the criteria (see 200.204 and Appendix I to Part 200). | COGR will collect data from members, as appropriate, to document agency deviations and/or agency policies and practices. |</p>
<table>
<thead>
<tr>
<th>Proposal Number</th>
<th>Program Income</th>
<th>Reference</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>200.307</td>
<td>Program income</td>
<td>(e) Use of program income ... For Federal awards made to IHEs and nonprofit</td>
<td>The default to the Addition method for IHEs and nonprofit research institutions</td>
</tr>
</tbody>
</table>

Cost sharing to be included for computing the F&A rate is narrowly defined to include only what has been specified in this section (i.e., specifically committed in the project budget), which suggests that there is no obligation to include any other related activity in the organized research base. If there are costs in question that are required to receive an allocation of indirect costs, it may be appropriate to categorize these costs as other institutional activity so that they receive an allocation of indirect costs.

FAQs to the Uniform Guidance are posted on [https://cfo.gov/cofar/](https://cfo.gov/cofar/). FAQ IV-2 references the 2001 OMB memo on Voluntary Uncommitted Cost Sharing (VUCS) and confirms its applicability. Therefore, “some level of committed faculty (or senior researchers) effort, paid or unpaid by the Federal Government” still is expected to be included in the organized research base for F&A rate calculation purposes.

COGR will review Agency implementation plans and/or guidance from the cognizant agencies for indirect cost (DCA, ONR) and will comment as appropriate.

Note, while FAQ .201-2 addresses Fixed Amount Awards, it provides a clarification that salary costs above a Federal awarding agency’s cap are not mandatory cost-share or match, but, instead, are the result of limitations on the amount of salary costs that may be charged. Consequently, FAQ .201-2 may have implications for defining what is and what is not cost sharing in the context of F&A rate proposals.

Also note, the original FAQ IV-2 has been replaced with FAQ .458-2 and again confirms the applicability of the 2001 OMB memo on VUCS.
research institutions, if the Federal awarding agency does not specify in its regulations or the terms and conditions of the Federal award how program income is to be used, paragraph (e)(2) [i.e., Addition method] of this section must apply ... When the Federal awarding agency authorizes the approaches in paragraphs (e)(2) and (3) [i.e. Cost sharing or matching] of this section, program income in excess of any amounts specified must also be deducted from expenditures.  

<table>
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<tr>
<th>200.308</th>
<th><strong>Revision of budget and program plans</strong></th>
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<tr>
<td>(c) For non-construction Federal awards, recipients must request prior approvals from Federal awarding agencies for ... 3) The disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project,</td>
<td>A-110 C.25 A-110 uses “absence”, rather than “disengagement”. The use of “disengagement” better reflects that project directors can be away from campus and remain engaged in the project at the proposed levels. Prior</td>
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standardizes this practice. Under A-110, standard use of the Addition method for IHEs and nonprofit research institutions is not specified as the default. The definition of Program income (see 200.80) includes “license fees and royalties on patents and copyrights” and is consistent with A-110. However, A-110, .24(h), includes an exclusion that recipients are under no obligation to the Federal Government in regards to treating licensing/royalty revenue as program income, unless the terms and conditions of the award state otherwise. The Uniform Guidance has no such exclusion, and during the period of performance, would require this revenue to be treated as program income.  

COGR is engaging federal officials to address the inconsistency between the Uniform Guidance and the Bayh-Dole Act (35 USC 202(c)(7)).  

**COGR is seeking clarification on the language specifying: “program income in excess of any amounts specified must also be deducted from expenditures.”**

from license fees and royalties should be excluded from the definition of program income and that U.S. law and statute take precedent.
by the approved project director or
principal investigator.

approval is only required in the event that
disengagement from the project occurs
during the absence.

### Revision of budget
and program plans

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<tr>
<td>200.308</td>
<td>Revision of budget and program plans</td>
<td>A-110 C.25 (c)(5)</td>
<td>NOTE: COGR did not address this section in VERSION 1 (April 17, 2014) of the COGR Guide.</td>
<td>Circular A-110, C.25 (c)(5) requirement for prior approval to transfer amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa, has been removed from the UG.</td>
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### Subpart D – Post Federal Award ... (Property Standards)

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| 200.313 | Equipment | (a) Title ... title to equipment acquired under a Federal award will vest upon acquisition in the non-Federal entity ... the title must be a conditional title ... [ALSO IN THIS SECTION] (d) Management requirements ... (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds A-110 C.34 New or subtle changes in terminology between A-110, section .34, and the Uniform Guidance may require clarification.

COGR is seeking clarification on the definition of “conditional title”, which was not used in A-110. Preliminary assessment is that “conditional title” always has been effective, though not explicitly named in A-110.

FAQ .313-1 clarifies that “conditional title” is not a new term and always has been in effect.

FAQ .313-3 confirms that non-Federal entities are not expected to change their inventory systems or data elements in those.
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<tr>
<td>200.317</td>
<td><strong>Procurements by states</strong></td>
<td>When procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds. The state will comply with § 200.322 Procurement of recovered materials and ensure that every purchase order or other contract includes any clauses required by section § 200.326 Contract provisions. All other non-Federal entities, including subrecipients of a state, will follow §§ 200.318 General procurement standards through 200.326 Contract provisions.</td>
<td>A-87</td>
<td>Some public universities may be required to follow state procurement regulations, in which case, application of this section of the Uniform Guidance in these cases is uncertain. COGR is seeking clarification. If some public universities would be subject to different requirements due to state laws and regulations, it raises the issue of inconsistent rules across institutions of higher education (including nonprofit research institutions).</td>
<td>FAQ .110-6 creates a grace period for the implementation of the Procurement Standards; sections 200.317 thru 200.326. For FY16, institutions have the option to use Circular A-110 or the UG. Beginning with FY17, institutions must comply with the UG. FAQs .318-1 thru...</td>
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| **200.318** | **General procurements standards** | (c)(1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award and administration of contracts ...  
2) If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest ...  
[ALSO IN THIS SECTION]  
(d) The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items ...  
[ALSO IN THIS SECTION]  
(i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the | A-110 C.42 A-87 | The requirements in (c)(1),(2), and (d) are included in A-110, though the “must” language in the Uniform Guidance provides new emphasis on these requirements.  
The requirement in (i) may be a burdensome requirement to document the history of the procurement actions and it is uncertain as to how this will be implemented at institutions.  
**COGR is seeking clarification on expectations of appropriate documentation applicable to the requirement in (i): “The non-Federal entity must maintain records sufficient to detail the history of procurement.”**  
**COGR will review Agency implementation plans and comment, as appropriate.**  
Upon implementation, COGR will recommend that institutions document new practices, and subsequent burden, to comply with the enhanced requirements, especially in (i). | .320-6 provide some clarifications. Due to the grace period, COGR will provide review and analysis at a later date.  
Beginning with FY17, institutions must comply with the UG. FAQs .318-1 thru .320-6 provide some clarifications. Due to the grace period, COGR will provide review and analysis at a later date. |
| 200.319 | **Competition** | (a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section…
(b) The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences…
(c) The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure…
(d) The non-Federal entity must ensure that all prequalified lists of persons, firms, or products… are current and include enough qualified sources to ensure maximum open and free competition… | A-110 C.43 A-87 | The requirement in (a) is included in A-110, though the “must” language in the Uniform Guidance provides new emphasis on this requirement.
The requirements in (b), (c), and (d) are new and it is uncertain as to how this will be implemented at institutions.
**COGR is seeking clarification on expectations of appropriate documentation applicable to these requirements.**
**COGR will review Agency implementation plans and comment, as appropriate.**
Upon implementation, COGR will recommend that institutions document new practices, and subsequent burden, to comply with the enhanced requirements. |
| 200.320 | **Methods of procurement to be followed** | The non-Federal entity must use one of the following methods of procurement.
(a) Procurement by micro-purchases… acquisition of supplies or services, the aggregate dollar amount of which does not exceed $3,000 (or $2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act)… Micro-purchases may be awarded without soliciting competitive quotations…
(b) Procurement by small purchase | A-110 C.44 A-87 | Institutions must use one of the five procurement methods as listed in this section (note: (a) thru (f) are listed, (e) has been excluded as an apparent typo error). These five methods are much more detailed and prescriptive in comparison to the requirements in A-110.
Method (a) specifies the category of micro-purchase (defined in Subpart A Definitions, 200.67) for grants and cooperative agreements. Per 200.67, this |

Beginning with FY17, institutions must comply with the UG. FAQs .318-1 thru .320-6 provide some clarifications. Due to the grace period, COGR will provide review and analysis at a later date. Note, the FDP has
procedures. Small purchase procedures are those relatively simple and informal procurement methods ... that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

(c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction ...

(d) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost reimbursement type contract is awarded ...

(f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

(1) The item is available only from a method allows the non-Federal entity to use a “subset of a non-Federal entity’s small purchase procedures ... in order to expedite the completion of its lowest dollar small purchase transactions and minimize the associated administrative burden and cost.” The category of micro-purchase is common to the Federal Acquisition Regulation (FAR), and per 200.67, the “threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions).”

Method (b) specifies the category of “small purchases” that do not exceed the Simplified Acquisition Threshold (as defined in Subpart A Definitions, 200.88). Per the definition in 200.88, “the non-Federal entity may purchase property or services using small purchase methods ... to expedite the purchase of items costing less than the simplified acquisition threshold ... set by the [FAR] at 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 U.S.C. 1908. As of the publication of this Part, the simplified acquisition threshold is $150,000, but this threshold is periodically adjusted for inflation.”

Methods (c) and (d) include detailed requirements associated with sealed bids (c) and competitive proposals (d).

Method (f) specifies the requirements for a sole source procurement and the initiated an examination of “Methods” and COGR will engage, accordingly.
| 200.323 | **Contract cost and price** | (a) The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including A-110 C.45 | The cost or price analysis requirement exists in A-110, as well. However, the language in the Uniform Guidance provides new emphasis on this. |

The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or (4) After solicitation of a number of sources, competition is determined inadequate. | COGR is seeking clarification on expectations of the appropriate documentation and institutional practices that will support the use of methods (a), (b), and/or (f). This includes clarification on documentation to support “small purchases” ($3,001 to $150,000) per (b) and documentation to justify the use of “sole source” per (f). COGR, in partnership with the FDP, may accumulate data to show the difference in the timeliness of procurement actions between sole source versus other methods of procurement, and the resulting impact on research productivity. As appropriate, we will share this data with federal officials. COGR will review Agency implementation plans and comment, as appropriate. Upon implementation, COGR will recommend that institutions document impact on procurement card policies, the increases in time/burden to complete a procurement action, and any impact on research productivity. |

Beginning with FY17, institutions must comply with the UG. FAQs .318-1 thru |
contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.

Upon implementation, COGR will recommend that institutions document changes, if any, in institutional practices, as well as any issues that arise.

### Subpart D – Post Federal Award … (Performance and Financial Monitoring and Reporting)

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<td>200.327</td>
<td>Financial reporting</td>
<td>Unless otherwise approved by OMB, the Federal awarding agency may solicit only the standard, OMB-approved governmentwide data elements for collection of financial information (at time of publication the Federal Financial Report or such future collections as may be approved by OMB and listed on the OMB website). This information must be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes, and preferably in coordination</td>
<td>A-110 C.52</td>
<td>The information collection items in this section are in-line with the requirements in A-110, with only changes that reflect updated OMB approved reports. Requests by agencies for similar information should be the exception and require approval by OMB. Previous sections of the Uniform Guidance (see 200.102 and 200.206) set a high bar for agency exceptions by requiring agency compliance with the Paperwork Reduction Act of 1995 (see 200.206). When agencies are out of compliance, engagement with OMB may be appropriate. Upon implementation, COGR will recommend that institutions document agency exceptions and deviations.</td>
<td>COGR will collect data from members, as appropriate, to document agency deviations and/or agency policies and practices.</td>
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</table>
| 200.328 | **Monitoring and reporting program performance** | (b) Non-construction performance reports. The Federal awarding agency must use standard, OMB-approved data elements for collection of performance information (including performance progress reports, Research Performance Progress Report, or such future collections as may be approved by OMB and listed on the OMB website) ...  
(2) The non-Federal entity must submit performance reports using OMB-approved governmentwide standard information collections when providing performance information. As appropriate in accordance with above mentioned information collections, these reports will contain, for each Federal award, brief information on the following unless other collections are approved by OMB:  
(i) A comparison of actual accomplishments to the objectives of the Federal award established for the period. Where the accomplishments of the Federal award can be quantified, a computation of the cost (for example, related to units of accomplishment) may be required if that information will be useful.  
(ii) The reasons why established goals were not met, if appropriate. | A-110 C.51 | Reinforces that the Research Performance Progress Report (RPPR) will remain the acceptable report to measure project performance. The definition of “Performance goal” (see 200.76) provides additional support by identifying discretionary research awards as an example where submission of a technical performance report (i.e., the RPPR) is acceptable to meeting the requirements for performance measurement. Discretionary research awards also are referenced in section 200.210(d). Also see 200.301, Performance measurement. The information collection items in (2)(i), (ii), and (iii) are almost identical to A-110, with only a subtle change in (2)(i) that suggests that a computation of cost related to units of accomplishment may be required. However, the standard set in 200.301 via the acceptability of the RPPR to measure project performance suggests that additional information collections should be unusual and exceptional. Previous sections of the Uniform Guidance (see 200.102 and 200.206) set a high bar for agency exceptions by requiring agency compliance with the Paperwork Reduction Act of 1995 (see 200.206). When agencies are out of compliance, engagement with OMB may be appropriate. | COGR will collect data from members, as appropriate, to document agency deviations and/or agency policies and practices. |
(iii) Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

COGR will review Agency implementation plans and comment, as appropriate.

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Subpart D – Post Federal Award ... (Subrecipient Monitoring and Management)

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<td>200.330</td>
<td>Subrecipient and contractor determinations</td>
<td>The non-Federal entity may concurrently receive Federal awards as a recipient, a subrecipient, and a contractor, depending on the substance of its agreements ... Therefore, a pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. The Federal awarding agency may supply and require recipients to comply with additional guidance to support these determinations ...</td>
<td>A-133 B.210</td>
<td>The language that states the “pass-through entity must make case-by-case determinations” is helpful and makes it the clear responsibility of the pass-through entity to define the relationship. However, the subsequent language that allows the awarding agency to “require recipients to comply with additional guidance to support these determinations” may negate the decision-making authority of the pass-through entity and may create a new documentation requirement. Some agencies may be compelled to override an initial classification from a contractor (vendor) relationship to a subrecipient relationship, which further impacts application of the F&amp;A rate and creates potential monitoring responsibilities of the contractor. COGR will review Agency implementation plans and comment, as appropriate.</td>
<td>COGR will collect data from members, as appropriate, to document agency deviations and/or agency policies and practices. Also see comments to Appendix III, C.2 and concerns where agencies may inappropriately characterize a relationship as a subrecipient relationship rather than a contractor (vendor) relationship, which in turn, affects the definition of MTDC.</td>
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### 200.331 Requirements for pass-through entities

All pass-through entities must:

(a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information ... Required information includes: ...

(4) An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with this Part), or a de minimis indirect cost rate as defined in § 200.414 Indirect (F&A) costs, paragraph (b) of this Part.

**[ALSO IN THIS SECTION]**

(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes ... Pass-through entity monitoring of the subrecipient must

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**plans and comment, as appropriate.**

Upon implementation, COGR will recommend that institutions document agency overrides of an initial classification, as well as any administrative burden associated with a documentation requirement to support determinations of subrecipient versus contractor (also see comments to Appendix III, C.2).

Section (a)(4) is new to the Uniform Guidance and states that the subrecipient’s negotiated F&A rate, a de minimus rate, or a rate negotiated with the pass-through entity must be used. Per 200.414, the de minimus rate is set at 10% of MTDC.

Section (d), items (1), (2), and (3), prescribe specific monitoring requirements, as compared to the less-prescriptive guidance in A-133.

The increase in the single audit threshold from $500,000 to $750,000 (see 200.501) will result in fewer entities being covered by the single audit. Consequently, pass-through entities will no longer be able to depend on these results, resulting in additional monitoring responsibilities.

Section (e) suggests additional monitoring tools that may be used, based on the pass-through entity’s assessment of risk.

**COGR is reviewing the feasibility of FAQs .331-1 thru .331-7 address the expectations and guidance for applying F&A rates to Subrecipient agreements. FAQ .331-7 addresses remedies when there is non-compliance by the prime. COGR will collect data from members, as appropriate, to document deviations made by the prime. The treatment of F&A for subrecipients on existing awards is**
include:

(1) Reviewing financial and programmatic reports required by the pass-through entity.

(2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.

(3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521 Management decision.

(e) Depending upon the pass-through entity’s assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful …

(1) Providing subrecipients with training and technical assistance on program-related matters; and

(2) Performing on-site reviews of the subrecipient’s program operations;

(3) Arranging for agreed-upon-procedures engagements as described in § 200.425 Audit services.

proposing a clarification to appropriate federal officials, which would state that the application of the approved federally recognized indirect cost rate (or a de minimis indirect cost rate) would be applicable only to new awards. This would facilitate administrative and budget issues applicable to existing awards with new funding increments (see section 200.110 and FAQ II-1).

COGR will review Agency implementation plans and comment, as appropriate.

COGR is working with appropriate federal officials to encourage policymakers to continue their commitment to reducing burden by focusing on: a) simplification of pass-through entity responsibilities applicable to management decisions, and b) consideration of an “audit monitoring-waiver” when the subrecipient of the pass-through entity is a peer institution, subject to the single audit, with no material weaknesses in internal control in the past two years.

Upon implementation, COGR will recommend that institutions document new burden associated with additional monitoring responsibilities for those entities no longer covered by the single audit (due to the increase of the threshold from $500,000 to $750,000).

Broadly speaking, COGR will continue working with appropriate federal officials to address burden issues associated with subrecipient monitoring.
| 200.332 | **Fixed amount subawards** | With prior written approval from the Federal awarding agency, a pass-through entity may provide subawards based on fixed amounts up to the Simplified Acquisition Threshold, provided that the subawards meet the requirements for fixed amount awards in § 200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts.

Use of fixed amount subawards up to the Simplified Acquisition Threshold of $150,000 (see Subpart A, Definitions, 200.88) requires prior written approval from the agency. Also see section 200.201 Fixed amount awards and Subpart A, Definitions, 200.44 Fixed amount awards.

This section, in conjunction with section 200.201, raises questions related to: 1) which situations require prior written approval, 2) if agreements with foreign institutions, clinical trial agreements, and similar agreements are encompassed in the definition of fixed amount subawards, 3) allowability of agreements that exceed $150,000, and 4) expectations when the initial agreement for $150,000 (or less) later exceeds $150,000.

**COGR will review Agency implementation plans and comment, as appropriate.**

Upon implementation, **COGR will recommend that institutions document issues that arise when the institution issues a subaward in the form of a fixed amount award.**

FAQ .332-1 provides some flexibilities when issuing fixed amount subawards that exceed $150,000. However, since the UG has established new requirements for issuing fixed amount subawards, COGR anticipates working with the FDP and funding agencies to facilitate practices and policies that will not result in significant additional burden.
## Subpart D – Post Federal Award ... (Record Retention and Access)

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<td>200.334</td>
<td>Requests for transfer of records</td>
<td>The Federal awarding agency must request transfer of certain records to its custody from the non-Federal entity when it determines that the records possess long-term retention value. However, in order to avoid duplicate recordkeeping, the Federal awarding agency may make arrangements for the non-Federal entity to retain any records that are continuously needed for joint use.</td>
<td>A-110 C.53d</td>
<td>The requirements in this section are included in A-110, though the “must” language in the Uniform Guidance provides new emphasis on this requirement and its impact on the ownership of research records.</td>
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<td>200.335</td>
<td>Methods for collection, transmission and storage of information</td>
<td>In accordance with the May 2013 Executive Order on Making Open and Machine Readable the New Default for Government Information, the Federal awarding agency and the non-Federal entity should, whenever practicable, collect, transmit, and store Federal award-related information in open and machine readable formats rather than in closed formats or on paper. The Federal awarding agency or pass-through entity must always provide or accept paper versions of Federal award-related information to and from the non-Federal entity upon request ... When original records are electronic and cannot be altered, there is no need to create and retain paper copies ... When original records are electronic and cannot be altered, there is no need to create and retain paper copies ... When original records are electronic and cannot be altered, there is no need to create and retain paper copies.</td>
<td>This section formalizes and standardizes the use of electronic records, with the provision for allowing paper if this constitutes the original source record. While it does not address an ongoing concern regarding certain inconsistencies between the Uniform Guidance and FAR requirements (i.e., use of electronic records are not explicitly formalized in the FAR to the same extent as they now are in the Uniform Guidance), this section of the Uniform Guidance is helpful by acknowledging that use of electronic records are today’s standard business process. The process in which the FAR incorporates sections of the Uniform Guidance is to be determined and will be</td>
<td>COGR will continue to explore opportunities to engage Federal officials to address inconsistencies between the UG and the FAR. Also see section 200.101.</td>
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records are paper, electronic versions may be substituted ...

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<td>200.343</td>
<td>Closeout</td>
<td>The Federal agency or pass-through entity will close-out the Federal award when it determines that all applicable administrative actions and all required work of the Federal award have been completed by the non-Federal entity … (a) The non-Federal entity 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 or the terms and conditions of the Federal award. The Federal awarding agency or pass-through entity may approve extensions when requested by the non-Federal entity. (b) Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in A-110 C.71</td>
<td>COGR, in collaboration with the FDP, has advocated for a new closeout model that recognizes the challenges of completing closeouts in the most efficient and accurate manner possible. Federal officials are considering a new model, possibly to be implemented through new Research Terms and Conditions, which would establish a 120-day financial closeout deadline. COGR is working with appropriate federal officials and the FDP to explore opportunities to establish a new closeout model that provides necessary flexibilities to ensure the most efficient</td>
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<td>the terms and conditions of the Federal award ...&lt;br&gt;(g) The Federal awarding agency or pass-through entity should complete all closeout actions for Federal awards no later than one year after receipt and acceptance of all required final reports.</td>
<td>and accurate closeout practices by institutions, and at the same time, provides federal agencies with a process that ensures their compliance with new standards to closeout awards in a timely fashion.&lt;br&gt;COGR will review Agency implementation plans and comment, as appropriate.</td>
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| 200.400 | Policy guide | (f) For non-Federal entities that educate and engage students in research, the dual role of students as both trainees and employees contributing to the completion of Federal awards for research must be recognized in the application of these principles.  
(ALSO IN THIS SECTION)  
(g) The non-Federal entity may not earn or keep any profit resulting from Federal financial assistance, unless expressly authorized by the terms and conditions of the Federal award. See also § 200.307 Program income. | A-21 A.2.c | Section (f) regarding the “dual role of students” is included in A-21, but was excluded from the Proposed Guidance. It was added back to the Uniform Guidance. The intent of section (g) regarding the “non-Federal entity may not earn or keep any profit” seems to be consistent with longstanding federal policy. In practice, part of the longstanding federal policy has included the recognition that residual funds remaining at the end of fixed price awards are not profit. Furthermore, section 200.101 specifically states that the Cost Principles (Subpart E) do not apply to fixed amount awards, so it may be concluded that the discussion of profit in section (g) is not applicable to fixed price or fixed amount awards.  
COGR is seeking confirmation that the reference to “profit” in this section is not applicable to fixed-price or fixed amount awards.  
COGR will review Agency implementation plans and comment, as appropriate. | FAQ .400-1 states that provided the cost of a fixed amount award was determined according to the UG, any residual balance that remains on a fixed amount award is not profit and, therefore, can be retained.  
FAQ .401-1 provides support to FAQ .400-1 by stating that the cost principles are applicable to proposing (pricing) fixed amount awards and subawards; however, payments are based on achievement or milestone.  
FAQ .401-3 simply reiterates the longstanding federal policy that profit is not applicable to fixed amount awards. |
### 200.405 Allocable costs

(b) All activities which benefit from the non-Federal entity’s indirect (F&A) cost, including unallowable activities and donated services by the non-Federal entity or third parties, will receive an appropriate allocation of indirect costs.  

**[ALSO IN THIS SECTION]**

(d) Direct cost allocation principles ... Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required.  

Section (b) regarding “all activities ... will receive an appropriate allocation of indirect cost” is new and will require institutions to carefully analyze fair and appropriate indirect cost allocation methodologies.

Section (d) regarding the treatment of “equipment or other capital asset involved when no longer needed” is included in A-21, but was excluded from the Proposed Guidance. It was added back to the Uniform Guidance.

### 200.407 Prior written approval (prior approval)

... In order to avoid subsequent disallowance or dispute based on unreasonableness or nonallocability, the

Items for which prior written approval can be waived by the federal agency are included in section 200.308(d). These
A non-Federal entity may seek the prior written approval of the cognizant agency for indirect costs or the Federal awarding agency in advance of the incurrence of special or unusual costs ... The absence of prior written approval on any element of cost will not, in itself, affect the reasonableness or allocability of that element, unless prior approval is specifically required for allowability as described under certain circumstances in the following sections of this Part ...

items (e.g., incur project costs 90 days before the Federal award, one-time extension of the period of performance, carry forward unobligated balances, etc.) are consistent with A-110.

This section should not be confused with section 200.308(d), Revision of budget and program plans. Instead, this section emphasizes that the non-federal entity “may” want to seek prior written approval from its cognizant agency for indirect costs or the Federal awarding agency on items of cost that the non-federal entity may deem sensitive. The items of cost that require prior approval are listed in the remainder of this section (e.g., cost sharing, program income, etc.).

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<td>200.413</td>
<td>Direct costs</td>
<td>(c) The salaries of administrative and clerical staff should normally be treated as indirect (F&amp;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;</td>
<td>A-21 F.6.b</td>
<td>Allowability of administrative and clerical salaries recognizes the value that project management and support activities contribute to all federal programs. The “major project” only standard from A-21 has been eliminated. This section should be read in conjunction with Appendix III, B.6.a.</td>
<td>FAQs .110-4 and .110-5 state that grant applications submitted before 12/26/14 should be developed in accordance with the UG. Consequently,</td>
</tr>
<tr>
<td>200.414</td>
<td><strong>Indirect (F&amp;A) costs</strong></td>
<td>(c) Federal Agency Acceptance of Negotiated Indirect Cost Rates. (See also § 200.306 Cost sharing or matching.)</td>
<td>Section (c)(1) sets standards for rate deviations, including: allowable when required by Federal statute or regulation; allowable when approved by the agency.</td>
<td>administrative support and computing devices can be proposed (also see 200.453). FAQ .110-5 states that institutions will not be penalized for discrepancies between their current DS-2 and charging practices in the UG. However, the DS-2 must be submitted as soon as possible after 12/26/14 (also see section 200.419). FAQ .413-1 states that for incremental funding, the progress report may constitute prior approval for direct charging of administrative costs if supported by the terms and conditions of the award.</td>
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</table>
(1) The negotiated rates must be accepted by all Federal awarding agencies...

[ALSO IN THIS SECTION]

(d) Pass-through entities are subject to the requirements in § 200.331 Requirements for pass-through entities, paragraph (a)(4).

[ALSO IN THIS SECTION]

(f) ... any non-Federal entity that has never received a negotiated indirect cost rate ... may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely ...

[ALSO IN THIS SECTION]

(g) Any non-Federal entity that has a federally negotiated indirect cost rate may apply for a one-time extension of a current negotiated indirect cost rates for a period of up to four years. This extension will be subject to the review and approval of the cognizant agency for indirect costs ...

head or delegate based on documented justification; however, the agency head or delegate must notify OMB of agency-approved deviations; requires the agency to make publicly available the policies and criteria its programs will follow to justify deviations; and as required under section 200.203, requires the agency to include in the notice of funding opportunity the policies relating to indirect cost rate reimbursement, matching, or cost share.

Section (d) reinforces that pass-through entities must accept the approved federally recognized indirect cost rate, or if no such rate exists, a rate negotiated between the pass-through and the subrecipient, or the 10% de minimis indirect cost rate.

Section (f) defines the de minimis rate at 10%. Once this rate is selected by a non-federal entity, it must be used consistently for all federal awards.

Section (g) allows for a one-time extension of the current negotiated indirect cost rate for a period of up to four years. COGR’s interpretation is that an institution can apply for a one-time extension on its most current negotiated rate, which suggests that multiple one-time extensions would be available, as long as a proposal and negotiation was completed between each extension request. For example: 4-year extension documentation.

FAQs .414.-2 and .414-3 confirm that multiple four-year rate extensions can be requested if a renegotiation is completed between each extension request.

FAQ .414-2 also specifies that documentation requests to support a four-year extension should be kept to a minimum.

COGR will engage with DCA and ONR reps to propose ideas for minimizing documentation on four-year rate extension requests.

Also, COGR will collect data from members, as appropriate, to document agency deviations and/or agency policies and practices as
| 200.415 | **Required certifications** | (a) To assure that expenditures are proper and in accordance ... the annual and final fiscal reports or vouchers requesting payment under the agreements must include a certification, signed by an official who is authorized to legally bind the non-Federal entity, which reads as follows: “By signing this report, I certify to the best of my knowledge and belief ... I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise ...” | A-21 K | Annual and final fiscal reports or vouchers requesting payment must include this certification, which has to be signed by an official who is authorized to legally bind the non-Federal entity. This represents a change from A-21 by expanding the types of reports and by no longer simply referencing an “authorized official”. The language in the certification statement is new, and in COGR’s opinion, inappropriately confrontational. Upon implementation, COGR will recommend that institutions document their implementation of this requirement and issues that arise. | FAQ .415-1 states that it is up to the non-Federal entity to determine how best to establish authority to legally bind the institution. COGR recommends thoughtful documentation on how this section is implemented in order to minimize audit risk. |
| 200.419 | **Cost accounting standards and disclosure statement** | (a) An IHE that receives aggregate Federal awards totaling $50 million or more ... in its most recently completed fiscal year | A-21 C.14 | Section (a) states the threshold for compliance with cost accounting standards is now $50 million and the FAQs .110-3 and .110-5 specify that DS-2s must be |
must comply with the Cost Accounting Standards Board’s cost accounting standards ...

(b) Disclosure statement. An IHE that receives aggregate Federal awards totaling $50 million or more ... during its most recently completed fiscal year must disclose their cost accounting practices by filing a Disclosure Statement (DS-2), which is reproduced in Appendix III ...

[ALSO IN THIS SECTION]

(2) ... An IHE must file amendments to the DS-2 to the cognizant agency for indirect costs six months in advance of a disclosed practices being changed to comply with a new or modified standard, or when practices are changed for other reasons. An IHE may proceed with implementing the change only if it has not been notified by the Federal cognizant agency for indirect costs that either a longer period will be needed for review or there are concerns with the potential change within the six months period. Amendments of a DS-2 may be submitted at any time. Resubmission of a complete, updated DS-2 is discouraged except when there are extensive changes to disclosed practices.

requirement for submission of a DS-2 is increased from $25 million (per A-21) to $50 million. Section 200.401(b) Federal Contract also should be considered in the context of applicability of cost accounting standards: “If a Federal contract awarded to a non-Federal entity is subject to the Cost Accounting Standards (CAS), it incorporates the applicable CAS clauses, Standards, and CAS administration requirements per the 48 CFR Chapter 99 and 48 CFR Part 30 (FAR Part 30) ...

Section (b)(2) creates a six month standard for approval of proposed changes to the DS-2, but allows the cognizant agency to notify the IHE that a longer period of time is needed for a review of the change.

If the Federal cognizant agency for indirect costs notifies an institution that more than six months are required, this will be disruptive to the institution. COGR will review Agency implementation plans and/or guidance from the cognizant agencies for indirect cost (DCA, ONR) and will comment as appropriate.

Implementation of new accounting practices to document salary charges to federal awards, including elimination of effort reporting systems (see section 200.430), may require amendments to the DS-2. COGR is seeking clarification on the role of the DS-2 in a change, such as submitted as soon as possible after 12/26/14. FAQ .110-5 states that institutions will not be penalized for discrepancies between their current DS-2 and allowable charging practices in the UG.

COGR will engage with DCA and ONR reps to propose ideas for minimizing burden associated with DS-2 submissions and approvals.

FAQ .430-1 addresses the role of the DS-2 in the case of changes to time and effort systems. However, additional clarification may be sought in meetings with DCA and ONR reps (also see 200.430 below).
Upon implementation, COGR will recommend that institutions document issues that arise.

**Subpart E – Cost Principles (General Provisions for Selected Items of Cost)**

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Text from the Uniform Guidance</th>
<th>Cross Ref</th>
<th>COGR Assessment and Next Steps (VERSION 1)</th>
<th>VERSION 2, COGR Update</th>
</tr>
</thead>
</table>
| 200.430 | Compensation - personal services | (h) Institutions of higher education (IHEs).  
(1) Certain conditions require special consideration …  
(2) Salary basis …  
(3) Intra-Institution of Higher Education (IHE) consulting …  
(4) Extra Service Pay …  
(5) Periods outside the academic year …  
(6) Part-time faculty …  
(7) Sabbatical leave costs …  
(8) Salary rates for non-faculty members …  
[ALSO IN THIS SECTION]  
(i) Standards for Documentation of Personnel Expenses  
(1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must … | A-21 J.10 | Section (h) includes revised and new language (e.g., allowable salary activities, institutional base salary, etc.), which in most situations, more accurately describes concepts applicable to institutions of higher education.  
Section (i) changes the emphasis of documenting salary charges to federal awards from the three examples in A-21 (which have been eliminated in the Uniform Guidance) to a system that is premised on strong internal controls. There is no reference to “certification” (as was used in the Proposed Guidance) in the Uniform Guidance, which suggests that an effort reporting system may not be required and that the institution’s official payroll system should be the basis for confirming payroll charges to federal awards. Issues, such as, what constitutes an auditable “system of internal control | FAQ .430-1 addresses the role of the DS-2 in the case of changes to time and effort systems. However, additional clarification may be sought in meetings with DCA and ONR representatives.  
COGR will provide review and analysis specific to new models and methodologies at a later date, and will engage with FDP and other stakeholders, as appropriate. |
which provides reasonable assurance” remain subject to analysis. COGR will work towards developing additional analysis to address effective institutional practices and methodologies that will be in compliance with the new requirements for documenting salary charges to federal awards.

COGR is seeking clarification on federal protocols for establishing federal approval of new institutional practices and methodologies, including the role of the DS-2 in the process.

| 200.430 | **Compensation - personal services** | (d) Unallowable costs. (2) The allowable compensation for certain employees is subject to a ceiling in accordance with statute. For the amount of the ceiling for cost-reimbursement contracts, the covered compensation subject to the ceiling, the covered employees, and other relevant provisions, see 10 U.S.C. 2324(e)(1)(P), and 41 U.S.C. 1127 and 4304(a)(16). For other types of Federal awards, other statutory ceilings may apply. NOTE: COGR did not address this section in VERSION 1 (April 17, 2014) of the COGR Guide. | Public Law 113-67 (effective 12/26/13) modified 10 USC 2324(e)(1)(P) and 41 USC 4304(a)(16) to set the compensation limit (i.e., salary and all benefits) at ~$487,000 for covered contracts awarded on or after 6/24/14. FAR 31.2 (cost principles for contracts with commercial organizations) incorporates both USC sections by reference and limits |
The FAR currently defers to Circulars A-21 and A-122 for covered contracts with IHEs and nonprofit research institutions. Going forward, the FAR will defer to the UG. Consequently, IHEs and nonprofit research institutions may be required to comply with the limit.

COGR is seeking clarification on the intent of this section of the UG and applicability to IHEs and nonprofit research institutions.
| Employee Benefits (e.g., postretirement health benefits), can be recovered only as an indirect cost.  
Also, section (j) addresses federal policies applicable to employee tuition remission and waivers that were not described in detail in A-21.  
Regarding sections (b)(3)(i) and (e)(3), since most institutions exceed the 26% administrative cap, this would compel many to establish an accrual-based method that incorporates these charges into a fringe benefit rate or a specialized rate for selected benefits. However, this methodology would result in larger cumulative amount of payouts charged to federal awards since each federal award would be subject to the payout rate.  
Under the cash-basis, institutions already have practices in place not to charge federal awards when it creates an inequity, which results in a net smaller cumulative amount of payouts charged to federal awards.  
The language related to leave and other benefits was not part of the OMB Proposed Guidance and would represent a significant accounting change requiring an amendment to the DS-2, which then could result in a protracted approval process. COGR is seeking clarification if the intent was simply to suggest that current practices using the cash-basis

| consistently followed ...  
(i) When a non-Federal entity uses the cash basis of accounting, the cost of leave is recognized in the period that the leave is taken and paid for. Payments for unused leave when an employee retires or terminates employment are allowable as indirect costs in the year of payment.  
[ALSO IN THIS SECTION]

| (e) Insurance ...  
(3) Actual claims paid to or on behalf of employees or former employees for workers' compensation, unemployment compensation, severance pay, and similar employee benefits (e.g., postretirement health benefits), are allowable in the year of payment provided that the non-Federal entity follows a consistent costing policy and they are allocated as indirect costs.  
[ALSO IN THIS SECTION]

| (j)(1) For IHEs only ... (3) IHEs may offer employees tuition waivers or tuition reductions for undergraduate education under IRC Section 117(d) ... Federal reimbursement of tuition ... is also limited to the institution for which the employee works.

In a September 4th conference call between COGR and the COFAR, the COFAR indicated that FAQ .431-1 will be removed and that a technical correction will be made to the UG to delete the reference to “indirect costs.” COGR will provide additional updates on this issue at a later date.
method remain allowable and that the institution has the option of recovering these costs as an indirect cost. And if the intent was not to make this optional, COGR will engage the appropriate federal officials to address concerns.

| 200.432 | **Conferences** | A conference is defined as a meeting, retreat, seminar, symposium, workshop or event whose primary purpose is the dissemination of technical information beyond the non-Federal entity ... As needed, the costs of identifying, but not providing, locally available dependent-care resources are allowable. | A-21 J.32 | A-21 presented this item as “Meetings and conferences” and did not include the language “beyond the non-Federal entity”. The new language seems to confirm that any costs associated with intra-campus meetings (i.e., within the confines of the non-Federal entity) are unallowable. If an institution implements a policy that the costs of locating dependent-care resources are allowable, the policy must be implemented consistently across all sources of funds. |

<p>| 200.433 | <strong>Contingency Provisions</strong> | (a) Contingency is that part of a budget estimate of future costs (typically of large construction projects, IT systems, or other items as approved by the Federal awarding agency) which is associated with possible events or conditions arising from causes the precise outcome of which is indeterminable at the time of estimate ... (b) It is permissible for contingency amounts other than those excluded in paragraph (b)(1) of this section to be explicitly included in budget estimates, to the extent they are necessary to improve | A-21 J.11 | A-21 deemed these costs unallowable. The Uniform Guidance reverses this, though payments made to a non-Federal entity’s “contingency reserve” or any similar payment made for events the occurrence of which cannot be foretold with certainty, generally are unallowable (except as noted in section 200.431 and regarding selected fringe benefits and in section 200.447 regarding insurance and indemnification). Upon implementation, COGR will recommend that institutions document |</p>
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<tr>
<td>200.436</td>
<td><strong>Depreciation</strong></td>
<td>(a) Depreciation is the method for allocating the cost of fixed assets to periods benefitting from asset use. The non-Federal entity may be compensated for the use of its buildings, capital improvements, equipment, and software projects capitalized in accordance with GAAP ...</td>
<td>Section (a) includes software as an asset that can be capitalized, in accordance with GAAP. This is supported further in Subpart A, Definitions: 200.2, “Acquisition costs for software includes those development costs capitalized in accordance with ... (GAAP)” and in 200.12, “Capital assets include ... Land, buildings (facilities), equipment, and intellectual property (including software) ...”</td>
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<td>(c) Depreciation is computed applying the following rules. The computation of depreciation must be based on the acquisition cost of the assets involved. For an asset donated to the non-Federal entity by a third party, its fair market value at the time of the donation must be considered as the acquisition cost. Such assets may be depreciated or claimed as matching but not both. For this purpose, the acquisition cost will exclude: ...</td>
<td>Section (c)(3) states that if an institution receives federal assistance for a portion of the costs to construct buildings or equipment, even if the institutional share is not by law or agreement required as cost sharing, the institution’s share is excluded from cost prior to allocating depreciation. It is a reasonable and a longstanding practice (and consistent with A-21) that the depreciation on the institutional share is allowable as an indirect cost. However, section (c)(3) does not make that clear.</td>
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<td>(3) Any portion of the cost of buildings and equipment contributed by or for the non-Federal entity, or where law or agreement prohibits recovery; and</td>
<td>FAQs to the Uniform Guidance are posted on <a href="https://cfo.gov/cofar/">https://cfo.gov/cofar/</a>. FAQ IV-1 states that this requirement is limited to instances of cost sharing or matching, but still leaves ambiguity. Any disallowance of depreciation on the institutional share is allowable, unless law or agreement prohibits recovery. FAQ .436-2, while not entirely clear, appears to support FAQ .436-1. The COFAR will issue a technical correction to the UG to further clarify this issue.</td>
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<td>(4) Any asset acquired solely for the performance of a non-Federal award.</td>
<td>FAQs to the Uniform Guidance are posted on <a href="https://cfo.gov/cofar/">https://cfo.gov/cofar/</a>. FAQ IV-1 states that this requirement is limited to instances of cost sharing or matching, but still leaves ambiguity. Any disallowance of depreciation on the institutional share is allowable, unless law or agreement prohibits recovery. FAQ .436-2, while not entirely clear, appears to support FAQ .436-1. The COFAR will issue a technical correction to the UG to further clarify this issue.</td>
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| 200.440 | **Exchange rates** | (a) Cost increases for fluctuations in exchange rates are allowable costs subject to the availability of funding, and prior approval by the Federal awarding agency...  
(b) The non-Federal entity is required to make reviews of local currency gains to determine the need for additional federal funding before the expiration date of the contribution would be a significant and misguided change in federal policy and would create a major disincentive for institutions to accept federal assistance for the construction of buildings or for major equipment.  
Section (c)(4) states the acquisition cost will exclude only assets acquired solely for the performance of a non-federal award. This provides for the allowability of equipment depreciation on non-federal awards that were not acquired solely for the performance of the non-federal award.  
COGR is seeking clarification on the intent of the language in (c)(3). The intent, most likely, was not to make the depreciation on the institutional share unallowable since this would create a major disincentive for institutions to accept federal assistance for the construction of buildings or major equipment.  
Sections (a) and (b) define the allowability of cost increases due to fluctuations in exchange rates, subject to prior approval by the awarding agency.  
**COGR will review Agency implementation plans and comment as appropriate.**  
Upon implementation, COGR will recommend that institutions monitor the institutional implementation of this FAQ.440-1 specifies prior approval is not required every time the exchange rate fluctuates. It is only required when the change results in the need for additional Federal funding or results in increased... | Sections (a) and (b) define the allowability of cost increases due to fluctuations in exchange rates, subject to prior approval by the awarding agency.  
**COGR will review Agency implementation plans and comment as appropriate.**  
Upon implementation, COGR will recommend that institutions monitor the institutional implementation of this FAQ.440-1 specifies prior approval is not required every time the exchange rate fluctuates. It is only required when the change results in the need for additional Federal funding or results in increased... |
Federal award. Subsequent adjustments for currency increases may be allowable only when...

<table>
<thead>
<tr>
<th>Federal award. Subsequent adjustments for currency increases may be allowable only when...</th>
<th>methodology and document issues that arise.</th>
<th>costs requiring the need to significantly reduce the scope of the project.</th>
</tr>
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<tbody>
<tr>
<td><strong>200.446 Idle facilities</strong></td>
<td>(4) Cost of idle facilities or idle capacity means costs such as maintenance, repair, housing, rent, and other related costs, e.g., insurance, interest, and depreciation. These costs could include the costs of idle public safety emergency facilities, telecommunications, or information technology system capacity that is built to withstand major fluctuations in load, e.g., consolidated data centers.</td>
<td>A-21 J.24 Section (4) expands the definition of idle facilities, compared to A-21, to include the costs of idle public safety emergency facilities, telecommunications, or information technology system capacity. Consolidated data centers are named as a specific example. Like A-21, the costs are defined as unallowable, except in the situations described in (b)(1), (2), and (3) of the Uniform Guidance.</td>
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<tr>
<td><strong>200.449 Interest</strong></td>
<td>(b)(2) For non-Federal entity fiscal years beginning on or after January 1, 2016, intangible assets include patents and computer software. For software development projects, only interest attributable to the portion of the project costs capitalized in accordance with GAAP is allowable. (c) Conditions for all non-Federal entities. (4) The non-Federal entity limits claims for Federal reimbursement of interest costs to the least expensive alternative... (7) The following conditions must apply to debt arrangements over $1 million to purchase or construct facilities, unless the non-Federal entity makes an initial</td>
<td>A-21 J.26 Section (b)(2) makes allowable interest costs associated with patents and computer software capitalized in accordance with GAAP, which were incurred on or after January 1, 2016 (see 200.436 above and the referenced definitions to 200.2 and 200.12). Section (c)(4) includes the same requirement from A-21 that limits reimbursement to the least expensive alternative. However, the A-21 requirement for a lease-purchase analysis to support the least expensive alternative is now just an example. Section (c)(7) is a carryover from A-21 and imposes conditions on interest reimbursement when the institution does...</td>
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<tr>
<td>200.451</td>
<td><strong>Losses on other awards or contracts</strong></td>
<td>Any excess of costs over income under any other award or contract of any nature is unallowable. This includes, but is not limited to, the non-Federal entity’s contributed portion by reason of cost-sharing agreements or any under-recoveries through negotiation of flat amounts for indirect (F&amp;A) costs. Also, any excess of costs over authorized funding levels transferred from any award or contract to another award or contract is unallowable. All losses are not allowable indirect (F&amp;A) costs and are required to be included in the appropriate indirect cost rate base for allocation of indirect costs.</td>
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<td>Section</td>
<td>Description</td>
<td>Notes</td>
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<tr>
<td>200.453</td>
<td><strong>Materials and supplies costs, including costs of computing devices</strong>&lt;br&gt;(c) 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.</td>
<td>Allowability of computing devices as a supply cost recognizes the value they contribute when allocable and essential to the federal program. Subpart A, Definitions (see 200.20 - Computing devices, 200.58 - Information technology systems, and 200.94 - Supplies) provides additional clarification, and section 200.314 Supplies include administrative guidance associated with managing supplies. COGR will review Agency implementation plans and comment, as appropriate. Upon implementation, COGR will recommend that institutions monitor the institutional implementation of this methodology and document issues that arise.</td>
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<td>200.456</td>
<td><strong>Participant support costs</strong>&lt;br&gt;Participant support costs as defined in § 200.75 Participant support costs are allowable with the prior approval of the Federal awarding agency.</td>
<td>Subpart A, Definitions (see 200.75 – Participant support costs) states: “Participant support costs means direct costs for items such as stipends or</td>
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FAQ .110-4 and .110-5 state that applications submitted before 12/26/14 should be developed in accordance with the UG. Consequently, administrative support and computing devices can be proposed (also see 200.413). FAQ .110-5 states that institutions will not be penalized for discrepancies between their current DS-2 and charging practices in the UG. However, the DS-2 must be submitted as soon as possible after 12/26/14 (also see section 200.419). COGR will collect data from members, as appropriate, to document issues.
| 200.458 | **Pre-award costs** | Pre-award costs are those incurred prior to the effective date of the Federal award directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award and only with the written approval of the Federal awarding agency. | A-110 C.25 (e)(1) | **NOTE: COGR did not address this section in VERSION 1 (April 17, 2014) of the COGR Guide.** | FAQ .458-1 responds to the question: can pre-award costs be incurred beginning in October 2014? The FAQ reiterates the longstanding policy that pre-award spending is incurred at the non-Federal entity’s own risk. Also note, FAQ 458-2 addresses VUCS; see section 200.306. |
| 200.461 | **Publication and printing costs** | (b) Page charges for professional journal publications are allowable where: ... | A-21 J.39 | Section (b)(3) is an addition to the language included in A-21 and allows an | COGR will collect data from members, |

subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects.”

Further, Subpart A, Definitions (see 200.68 – Modified total direct costs) states that participant support costs are excluded from the MTDC distribution basis.

**Note:** This change may require new attributes in the institution’s accounting system to account for participant support costs. COGR will recommend that institutions monitor the institutional implementation of this methodology and document issues that arise.
| 200.463 | **Recruitment costs** | (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. For these costs to be directly charged to a Federal award, they must:

1) Be critical and necessary for the conduct of the project;
2) Be allowable under the applicable cost principles;
3) Be consistent with the non-Federal entity’s cost accounting practices and non-Federal entity policy; and
4) Meet the definition of “direct cost” as described in the applicable cost principles. | A-21 J.42 | Allowability of short-term, travel visa costs recognizes the value they contribute to all federal programs. COGR will review Agency implementation plans and comment as appropriate. Upon implementation, COGR will recommend that institutions monitor the institutional implementation of this methodology and document issues that arise. | COGR will collect data from members, as appropriate, to document issues that arise. |

| 200.470 | **Taxes (including Value Added Tax)** | (c) Value Added Tax (VAT) Foreign taxes charged for the purchase of goods or services are generally considered allowable costs if:

1) They are a factual or legal obligation of the entity;
2) They are allowable under the specific cost principles and financial guidelines of the Federal award; and
3) They are consistent with the non-Federal entity’s cost accounting practices and non-Federal entity policy. | A21 J.49 | Section (c) is an addition to the language included in A-21 and allows an institution | COGR will collect data from members, as appropriate, to document issues that arise. |
services that a non-Federal entity is legally required to pay in country is an allowable expense under Federal awards. Foreign tax refunds or applicable credits under Federal awards refer to receipts, or reduction of expenditures, which operate to offset or reduce expense items that are allocable to Federal awards as direct or indirect costs. To the extent that such credits accrued or received by the non-Federal entity relate to allowable cost, these costs must be credited to the Federal awarding agency either as costs or cash refunds ...

to treat VAT foreign taxes as an allowable cost, while requiring that refunds and applicable credits be credited to the awarding agency.

COGR will review Agency implementation plans and comment as appropriate.

Upon implementation, COGR will recommend that institutions monitor the institutional implementation of this methodology and document issues that arise.

COGR will collect data from members, as appropriate, to document issues that arise.

| 200.474 | **Travel costs** | (c)(1) Temporary dependent care costs (as dependent is defined in 26 U.S.C. 152) above and beyond regular dependent care that directly results from travel to conferences is allowable provided that:

(i) The costs are a direct result of the individual's travel for the Federal award;
(ii) The costs are consistent with the non-Federal entity's documented travel policy for all entity travel;
(iii) Are only temporary during the travel period.

(2) Travel costs for dependents are unallowable, except for travel of duration of six months or more with prior approval of the Federal awarding agency. See also § 200.432 Conferences. | A-21 J.53 | Section (c)(1) defines the allowability of temporary dependent care costs and recognizes the value that family-friendly policies contribute to federal programs. The conditions for allowability must be met.

However, section (c)(2) defines travel costs for dependents as unallowable, unless specific conditions are met.

COGR will review Agency implementation plans and comment as appropriate.

Upon implementation, COGR will recommend that institutions monitor the institutional implementation of this methodology and document issues that arise.
Subpart F – Audit Requirements

The analysis of Audit Requirements is being completed with other stakeholders and experts. A more complete analysis of the Audit Requirements section may be available at a later date. However, note FAQ .110-15: The 2015 Compliance Supplement is expected to be released in April 2015 and will implement changes to complement the Uniform Guidance, such as streamlining the audit objectives and procedures for the 14 types of compliance requirements. OMB outreach in developing the 2015 Supplement is including non-Federal stakeholders.

COGR will monitor developments related to the 2015 Compliance Supplement, as well as other audit topics addressed in the UG and the FAQs.

Appendix III to Part 200 – Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)

See sections 200.413 Direct Costs, 200.414 Indirect Costs, and other applicable sections for additional analysis on F&A Rate Determination.

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<th>Section</th>
<th>Title</th>
<th>Text from the Uniform Guidance</th>
<th>Cross Ref</th>
<th>COGR Assessment and Next Steps (VERSION 1)</th>
<th>VERSION 2, COGR Update</th>
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<td>B.4.c</td>
<td>Operation and maintenance expenses</td>
<td>c. A utility cost adjustment of up to 1.3 percentage points may be included in the negotiated indirect cost rate of the IHE for organized research per the computation alternatives in paragraphs (c) (1) and (2) of this section: ...</td>
<td>A-21 F.4.c</td>
<td>Section c. makes available to all institutions a utility cost adjustment of up to 1.3%. Metering and weighting (&quot;effective square footage&quot; methodology using the &quot;relative energy utilization index&quot;) research laboratory space in order to support the utility cost adjustment will require additional guidance. The expectation is that to minimize burden a standard and simple methodology can be developed to support the utility cost adjustment. The expectation is that to minimize burden a standard and simple methodology can be developed to support the utility cost adjustment.</td>
<td>FAQ Appendix III-1 specifies that IHEs and cognizant agencies should address issues related to the 1.3% UCA in a collaborative manner and to consult OMB when there are questions related to interpretation of the UG.</td>
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| B.6.a | **Departmental administration expenses** | (2) Academic departments: ...  
(b) Other administrative and supporting expenses incurred within academic departments are allowable provided they are treated consistently in like circumstances. This would include expenses such as the salaries of secretarial and clerical staffs, the salaries of administrative officers and assistants, travel, office supplies, stockrooms, and the like. | A-21 F.6.b | Section (2)(b) reinforces the allowability of administrative and clerical salaries (i.e., other administrative and supporting expenses) as a direct charge (see 200.413), provided these expenses are treated consistently in like circumstances.  
This section replaces the more restrictive F.6.b section from A-21 and eliminates the “major project” only standard for the direct charging of other administrative and supporting expenses. This section should be read in conjunction with 200.413(c), Direct costs. |
| B.8.b | **Library expenses** | b. ... the expenses included in this category must be allocated first on the basis of primary categories of users, including students, professional employees, and other users ...  
(2) The professional employee category must consist of all faculty members and other professional employees of the | A21 F.8.b | For purposes of allocating the costs of the library in the development of the F&A rate, the professional employee category can include post-doctorate fellows and graduate students. Also, the other users category can be based on a reasonable factor as determined by institutional records to account for all other users of |

COGR is seeking clarification on implementation date and applicability to F&A rate negotiations (see section 200.110).  
Upon implementation, COGR will recommend that institutions monitor the institutional implementation of this methodology and document issues that arise.  

Also, FAQ 110-2 states that F&A rate proposals based on FY14 and after can be developed using provisions in the UG, which will allow institutions to include the 1.3% UCA in F&A rate proposals (see section 200.110).
institution, on a full-time equivalent basis. This category may also include post-doctorate fellows and graduate students.

(3) The other users category must consist of a reasonable factor as determined by institutional records to account for all other users of library facilities.

| C.2 | **The distribution basis** | Indirect (F&A) costs must be distributed to applicable Federal awards and other benefitting activities within each major function (see section A.1, Major functions of an institution) on the basis of modified total direct costs (MTDC), consisting of all salaries and wages, fringe benefits, materials and supplies, services, travel, and subgrants and subcontracts up to the first $25,000 of each subaward (regardless of the period covered by the subaward). MTDC is defined in § 200.68 Modified Total Direct Cost (MTDC) ...

| A-21 G.2 | Subpart A, Definitions (see 200.68 – Modified total direct costs) states: “MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and subcontracts up to the first $25,000 of each subaward or subcontract (regardless of the period of performance of the subawards and subcontracts under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward and subcontract in excess of $25,000 ...”

Participant support costs are a new exclusion to MTDC and have been further clarified in the Uniform Guidance (see sections 200.456 and the definition in Subpart A, 200.75).

The portion of each subaward and subcontract in excess of $25,000 is...
### C.8 Limitation on reimbursement of administrative costs

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<th><strong>a.</strong> Administrative costs charged to Federal awards must be limited to 26% of modified total direct costs...</th>
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<td><strong>b.</strong> Institutions should not change their accounting or cost allocation methods if the effect is to change the charging of a particular type of cost from F&amp;A to direct, or to reclassify costs, or increase allocations from the administrative pools... Cognizant agencies for indirect cost are authorized to allow changes where an institution’s charging practices are at variance with acceptable practices followed by a substantial majority of other institutions.</td>
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|   | **A-21 G.8.a G.8.d** Section b., and part of A-21, was excluded from the Proposed Guidance and added back to the Uniform Guidance. If it had remained excluded, it would have provided flexibility to implement more efficient responsibility center budgeting models, which ultimately would benefit the federal government. **COGR is seeking clarification on situations where cognizant agencies for indirect cost may authorize applicable changes in charging practices, particularly changes made in response to this guidance.** |