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October 2014 COGR Meeting Presentation Thursday Morning - Jim Luther and Cindy Hope

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Indirect Cost Issues and Disclosure Statements

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- ▶ **FAQ 414-3 Documentation Required for Extension**
 - ▶ Section 200.414(g) allows any non-Federal entity that has a federally negotiated rate to apply for a one-time extension...up to four years...Are there any documentation requirements...?
 - ▶ ...documentation requirements to support a four-year indirect cost rate extension should be kept to a minimum...Subsequent one-time extensions (up to four years) are available if a renegotiation is completed between each extension request...

- ▶ Documentation Required for Extension
 - ▶ Depends on the risk perceived by the Cognizant Agency
 - ▶ Length is a major risk factor
 - ▶ Call first!
 - ▶ Don't necessarily wait until after 12/26
 - ▶ Observe at least the 60 day notice recommendation
 - ▶ Schedule of base and schedule of space
 - ▶ From last proposal to current
 - ▶ From current to end of requested extension

▶ FAQ .110-2 Effective Dates and Indirect Cost Proposals

- ▶ When may non-Federal entities begin to submit proposals for indirect cost rates based on the Uniform Guidance?
- ▶ Non-Federal entities may begin to submit actual cost proposals based on the Uniform Guidance when they are due for fiscal years that begin on or after December 26, 2014. For example, if a non-Federal entity is required to submit a rate proposal based on FY 2014 actual cost to set rates for FY 2016, the rate proposal can be developed using the provisions of

- ▶ Effective Dates and Indirect Cost Proposals
 - ▶ If you already have 1.3%?
 - ▶ Difference of opinion
 - ▶ If you do not already have 1.3%?
 - ▶ Difference of opinion
 - ▶ Base years 2014 and 2015 are the question

- ▶ FAQ .110-3 Effective Dates and Disclosure Statements (DS-2s)
 - ▶ When may institutions of higher education (IHEs) begin to submit revised DS2s based on the Uniform Guidance?
 - ▶ IHEs may begin on or after December 26, 2014 to submit revisions to DS2 statements for fiscal years beginning on or after December 26, 2014...

- ▶ **Potential Issues and Concerns**
 - ▶ Current DS-2 format will be out of date effective 12/27/14
 - ▶ DS-2 Structure: maintain current and add UG specific language?
 - ▶ Sequence of DS-2 change and practice change; COG delays

- ▶ **Areas of likely change**
 - ▶ 2.1.0 Continuation Sheet -- Criteria for Determining How Costs are Charged to Federally Sponsored Agreements or Similar Cost Objectives