

**COFAR – COGR Review: OMB Uniform Administrative Requirements, Cost Principles,  
and Audit Requirements for Federal Awards**

**June 11, 2014**

Below are topics that were discussed at the January 29<sup>th</sup> and/or May 13<sup>th</sup> meetings, and topics still to be addressed. As we stated previously, we appreciate your willingness to continue this dialogue and are confident these discussions will contribute to:

- ***The most effective implementation of the Uniform Guidance (UG), and ultimately,***
- ***Improved and successful delivery of important Federal programs.***

Section	Issue	Requested Action
<b>COVERED AT MAY 13 MEETING</b>		
<b>200.110</b> Effective/ applicability date	Applicability to F&A rates is unclear.	- COGR meeting with OMB/HHS/DCA/ONR - FAQ to clarify
<b>200.110</b> Effective/ applicability date	Implementation date of key provisions (admin charging, RTCs, etc.) still is uncertain.	- COGR and FDP to provide proposed solutions to COFAR - Modify implementation, accordingly - FAQ to clarify
<b>200.112</b> Conflict of Interest	Confirmation that this section refers solely to business and procurement conflicts.	- FAQ to clarify - COFAR should ensure consistent implementation in agency plans
<b>200.307</b> Program Income	Confirmation that Bayh-Dole supersedes treatment of license fees and royalties.	- FAQ to clarify - COFAR should ensure consistent implementation in agency plans
<b>200.317-326</b> Procurement Standards	Would require changes to current institutional practices, and 200.320 (Methods) will negatively impact PI/research productivity.	- 18 to 24 month grace period - COGR and FDP to provide proposed solutions to COFAR during grace period
<b>200.343</b> Closeouts	Utilize flexibility in the UG (agency authorized extensions, closeout actions completed within one year of receiving final reports) to implement in a manner that maximizes PI/research productivity.	- COGR and FDP to provide proposed solutions to COFAR - COFAR should ensure consistent implementation in agency plans
<b>200.431</b> Compensation – fringe benefits	Would require changes to current institutional practices (terminal leave, unemployment, post-retire health, etc.) by suggesting (in error) that these should be charged as indirect costs when the cash-basis method is used.	- FAQ to clarify - Update the UG to reflect a “technical error” - 18 to 24 month grace period (if not corrected as a “technical error”)
<b>NOT COVERED AT MAY 13 MEETING</b>		
<b>200.313</b> Equipment	New terms or context (“conditional title”, “use”, “federal participation”) raises concern of system revisions.	- FAQ to clarify (see COGR proposed FAQ per May 13 agenda)

Section	Issue	Requested Action
<b>200.201 &amp; .332</b> Fixed amount awards (and Subawards)	“Prior approval” for subawards up to the SAL is problematic for commonly used fixed agreements (clinical trials, foreign, etc.). Also, raises issue if fixed amount subawards can be used above the SAL. Finally, confirmation needed that “profit” (200.400g) restrictions are not meant to be applicable to fixed awards.	<ul style="list-style-type: none"> <li>- FAQ to clarify</li> <li>- Implement exceptions for research</li> <li>- COFAR should ensure consistent implementation in agency plans</li> </ul>
<b>200.436</b> Depreciation	FAQ IV-1 does not fully clarify that institutional contribution is allowable. Disallowance would be a major change in Federal policy and would create a disincentive to accept assistance for the construction of buildings/equipment.	<ul style="list-style-type: none"> <li>- Update the UG to reflect a “technical error”</li> <li>- Revised FAQ to clarify</li> </ul>
<b>200.330</b> Subrecipient and contractor determinations	Confirmation is needed that contractor (vendor) agreements exceeding \$25k are subject to F&A. Per F&A rate agreements, all contractor agreements (at all dollar levels) are subject to F&A. Some agencies interpret the exclusion over \$25k to be applicable to contractor (vendor) agreements.	<ul style="list-style-type: none"> <li>- FAQ to clarify</li> <li>- COFAR should ensure consistent implementation in agency plans</li> </ul>
<b>200.419</b> CAS and disclosure statement	IHEs need more certainty on the approval process. There is an equity issues since IHEs below the \$50 million threshold and other non-federal entities are not subject to the DS-2.	<ul style="list-style-type: none"> <li>- COGR meeting with OMB/HHS/DCA/ONR</li> <li>- COFAR could establish “fast-track” approvals that do not necessitate changes to the DS-2 (e.g., admin/compute device charging/etc.)</li> <li>- FAQ to clarify</li> </ul>
<b>200.331</b> Requirements for pass-through entities	New monitoring requirements will add new and significant burden to prime recipients, especially for subs that are no longer covered by the single audit.	<ul style="list-style-type: none"> <li>- COGR engagement with COFAR to simplify pass-through’s role in management decisions</li> <li>- COGR/FDP engagement with COFAR to establish “audit-review-waiver” when the sub is a peer, subject to the single audit</li> </ul>
<b>200.430</b> Compensation – personal services	Helpful section that allows institutions to utilize alternatives to effort reporting.	<ul style="list-style-type: none"> <li>- FAQ to clarify role of DS-2 approval</li> <li>- COFAR could facilitate meetings with COGR and the audit community to monitor new practices and their acceptance</li> </ul>
<b>200.303</b> Internal Controls	FAQ III-4 is helpful; the Green Book and COSO are useful guides, not reqs.	<ul style="list-style-type: none"> <li>- Incorporate the FAQ into the annual publication of the Compliance Supplement</li> </ul>
<b>200.301</b> Performance Measurement	OMB-approved governmentwide standard information collections, such as the RPPR, are acceptable.	<ul style="list-style-type: none"> <li>- COFAR should ensure consistent implementation in agency plans</li> </ul>
<b>200.335</b> Methods for collection, storage ...	Helpful section that formalizes and standardizes the use of electronic records.	<ul style="list-style-type: none"> <li>- OMB could facilitate a meeting with COGR and the FAR Council to address consistency between the FAR and the UG</li> </ul>
<b>App III, C.8</b> Limitation on reimbursement of admin costs	The UG restricts an IHE from changing accounting methods if the effect is to change the charging of a cost from F&A to direct. This is unique to IHEs.	<ul style="list-style-type: none"> <li>- COGR/FDP engagement with COFAR to establish new models of direct charging that promote cost-effectiveness across Federal programs</li> </ul>