

COGR (COUNCIL ON GOVERNMENT RELATIONS) – February 27-28, 2014 Meeting

COGR announced that they will provide timely input on the immediate issues (first look) but expect the deciphering of the entire guidance to be a longer and more diligent process.

Agency plans are required to be submitted to OMB by June 26, 2014.
By December 26, 2014 implementation date, they expect their "common interpretations" and COGR will have some suggested practices.

COGR will continue to communicate with COFAR. Their email address for questions is noted on our website, below. In addition, the following link provides the most up to date information from OMB, Webcasts, FAQ's, etc.- <https://cfo.gov/cofar/>

Specific items of note from the individual sessions:

1. 200.110 Effective/applicability date

- Uniform implementation date of 12/26/14 for all Subparts, except Subpart F, which will be effective the first FY beginning after 12/26/14
- Generally speaking, the UG will be applicable for new awards and for incremental funding awarded on or after 12/26/14
- Open question remains on how dates apply to negotiating new F&A rates

2. 200.303 Internal controls

- Requires recipients to have internal controls in compliance with guidance in "Standards for Internal Control in the Federal Government" and "Internal Control Integrated Framework" issued by COSO
- COFAR clarified in the recent FAQ release that there is no expectation or requirement that internal controls be documented or evaluated prescriptively to these guidelines
- Provided as source documents for best practices

3. 200.313 Equipment

- Property records must contain "percentage of Federal participation in the project costs for the Federal award under which the property was acquired"
- Records must contain "use" of the equipment.
- Concern: These changes are not clear and raise a number of questions
- Creates added burden to keep additional data elements and additional cost to modify systems to capture those data elements

4. 200.431 a(3)(i) Fringe Benefits

“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.”

- Was not in the Proposed Guidance
- Would require a significant change in accounting for unused leave
- Handle as accrual via fringe benefit – could increase 3-10 points
- Looking to further clarification – allowable method vs. only method 31

Overview - Higher Education and Standards for Documentation

- Section (h) is specific to Higher Ed - Identifies special conditions for
 - Allowable Activities, Incidental Activities, Extra Service Pay, Periods outside the academic year, etc.
- Section (i) is “Standards for Documentation of Personnel Expenses”
 - Charges must reflect actual work performed and records must be
 - Supported by internal controls & Incorporated into official records
 - Reasonable reflects total activity & Encompass federal and other activities on an integrated basis
 - (can use subsidiary records)
 - Support the employees’ wages among cost objectives
 - Budget estimates are allowable if
 - System produces reasonable approximation
 - Significant changes are incorporated in timely manner (1 – 2 months)
 - Entities internal controls support after-the-fact review

For non-federal entity that does not meet these standards, the Federal Government may require personnel activity reports

NEXT COGR MEETING: June 12-13, 2014 Washington, DC