



***Special Edition: MAXIMUS  
Impact Assessment of  
January 2017 Updates to  
CAS Best Practices Manual***

**February 24, 2017**



# Agenda

- **Introduction to MAXIMUS and Higher Education Practice**
- **Highlight major changes within 1/2017 HHS - Cost Allocation Services (CAS) “Best Practices Manual” (BPM)**
- **Include “OMB Uniform Guidance” (2 CFR Part 200) citations, as applicable**
- **Provide MAXIMUS Impact Assessments upon F&A Rate Proposals (including CRIS), DS-2 and Compliance**

# MAXIMUS

- Founded in 1975 and headquartered in Reston, Virginia
- Global leader for health and human services programs:
  - Delivering innovative business process management and technology solutions
  - Contributing to improved outcomes for citizens and higher levels of productivity and accountability for government sponsored programs
- Independent, publicly traded company (NYSE:MMS), with annual revenue of \$2.4 billion (fiscal year 2016), healthy balance sheet and no conflict of interest
- With more than 18,000 employees worldwide, MAXIMUS is a proud partner to government agencies in the United States, Australia, Canada, Saudi Arabia and the United Kingdom.
- MAXIMUS Higher Education serves more than 150 colleges, universities, nonprofits, and hospitals

# Higher Education Practice

## F&A Consulting Services

- F&A Proposal Preparation
- Space surveys/reviews
- Negotiations
- Fringe Benefits Rate Proposals
- Assistance with federal Disclosure Statement (DS-2)
- Reviews of Service/Recharge Centers

## Other Products and Services

- F&A Software: CRIS and WebSpace
- Internal Controls Consulting and Effort Reporting System (ERS)
- Uniform Guidance Diagnostics and Compliance Consulting
- Pre and Post Award Consulting Services and Training
  - Research Operational Reviews – Business Process Review and Improvement – Change Management
  - Policy Review and Development
  - Onsite and Online Training in Grant Management

# Overview of 1 / 2017 Changes to the BPM

## Changes Throughout Manual

- References to 2 CFR Part 200 (“Uniform Guidance”) in lieu of A-21
- Citation to “Single Audit” in lieu of A-133
- Definitional changes for UG terminology (e.g., MTDC, IHE, etc.)
- Elimination of “Use Allowance” terminology in Depreciation sections
- DCA (Division of Cost Allocation) to CAS (Cost Allocation Services)
- Base definitions updated throughout (Participant Support)

## Major Sections -- New and/or Changed

- I. Introduction
- II. Preliminary Review (including DS-2)
- III. Depreciation
- IV. Interest
- V. O&M / Utility Cost Adjustment
- VI. Space
- XII. F&A Rate Extensions

## Overview the BPM (cont.)

- The CAS BPM does NOT have the force of Federal Policy, as does the OMB 2 Code of Federal Regulations, Part 200 “Uniform Guidance”
- However, it is an essential Body of Knowledge for University staff
- For example, it is used by CAS staff to “review and analyze F&A Proposals using the long-form method”
- Also, it “addresses important issues and subject matter and CAS best practices to be followed during negotiators’ reviews”

# I. Introduction

## ADDED:

New Section to describe the 12/2014 2 CFR 200 provisions:

- Cited in BPM as “the Cost Principles
- List of Significant Changes

“Negotiator should particularly familiarize themselves with Subparts A, B and E.”

- A. Acronyms and Definitions
- B. General Provisions
- E. Cost Principles

## IMPACT:

*Nominal*

*But does show what CAS believes is important:*

- *Appendix III*
- *Extensions*
- *Utility Cost Adjustment*
- *DS-2 applicable only to IHE with federal awards totaling \$50 million.*

## II. Preliminary Review

### CHANGED:

#### Section E “Cost Accounting Standards”:

- “OMB to release new DS-2 in calendar year 2017”
- “All IHE required to file new DS-2 within 90 days after new form is available”
- “However, IHE’s may wait to submit with next F&A Proposal submission”
- “DS-2’s only updated to comply with UG do NOT need review / approval of CAS”

### IMPACT:

*Confusing!*

*MAXIMUS / others trying to gain clarity with CAS right now*

*But, does at least cite new \$50M Threshold*



### III. Depreciation

**REMOVED:**

Removed original #7, requiring  
“Assurance Statement for  
Depreciation and Use  
Allowance”

**IMPACT:**

***GREAT! Will reduce  
administrative burden***

### III. Depreciation (cont.)

**ADDED:**

New item #14 on “Cost of Information Technology, including Wi-Fi infrastructure”

- Cites UG sections 200.33 and 200.58
- In F&A Proposals, IHE’s must allocate these costs via FTE’s not space (e.g., similar to Library pools)

**IMPACT:**

*Will probably decrease allocation to Organized Research*

*Most will go to Instruction, via student FTE’s*

### III. Depreciation (cont.)

**ADDED:**

New item #16 on “Depreciable lives are reasonable and supported by historical data”

— Cite UG sections 200.436d

**IMPACT:**

*Nominal*

*“Historical data” verbiage had been in A-21 (J14)*

## IV. Interest

### CHANGED:

Removed audit steps for obsolete Lease-Purchase Analysis for facilities costing over \$500K (prior A-21, J26)

Now requires only “most economical approach” and “least costly alternative”

### IMPACT:

*Great!*

*Reduce administrative burden for schools*

## V. O&M / UCA

### ADDED:

Entirely new UCA section  
(pages 51 – 55):

- Limitations on types of applicable Labs (only “chemical / biological”)
- “High plug loads” or “air exchange” requirements cited for space eligible for UCA application
- Research offices / Greenhouses NOT applicable!

### IMPACT:

*“Houston – We have a Problem!”*

- *New UCA Proposal adds Admin Burden*
- *UG does not cite limitation on Room Types*

*NOTE: Current efforts to increase the 2.0 REUI factor*

## V. O&M / UCA (cont.)

### ADDED:

- May be “violating intent of UCA” if more than 1 meter / building
- “UCA computation should be separate proposal” & provided as a “supplement”
- New CAS “UCA Calculation Model” which displays the math expected

### IMPACT:

*CRIS software is provides for the right calculation if used properly.*

*Please note that CRIS currently have five (5) UCA reports to fully substantiate these calculations*

*Also, MAXIMUS is working with CAS to clarify data needs for “separate proposal”  
-- CAS UCA Model allocates by Room Types per Building*

## VI. Space/Alternative Space Methodology

### CHANGED:

Item #3, Room types to allocate 100% to Instruction:

- Reverts Grad offices back to “100% Instruction”. Prior BPM listed the proper treatment as Joint Use
- Added new item for “Departmental-only Research” to “100% to Instruction”

### IMPACT:

*Grad Office treatment erroneously reduce RES space for F&A Proposals.*

- *Need to address with CAS*

*“Department only” citation is non-impactful, Dept Research has always been mapped to Instruction*

## XII. Other Areas

### ADDED:

New section I “F&A Rate Extensions”

Provides data requirements

- Financials, Audit report
- Base trend, Space changes

Delineates rationales for not granting an Extension and/or allowing less than full 4-year extensions

- Base growth
- OR Space decreasing
- Projections come to fruition?

### IMPACT:

*Explains CAS requirements*

*However, some rationales for not granting full / any Extension appear to be arbitrary*

*Extensions are NOT a given*



# Upcoming Webinars



- **MAXIMUS Effort Reporting System (ERS) Demo** • *March 14, 2017 2pm EST*
- **Internal Control: An Introduction** • *April 25 • 2:00 p.m. EST*
- **Service Center Q&A** • *May 16 • 2:00 p.m. EST*
- **F&A Rate Extensions: How, Why and What It May Cost You** • *June 13 • 2:00 p.m. EST*
- **Internal Controls & Communication** • *June 20 • 2:00 p.m. EST*
- **Moving from Short Form to Long Form Considerations** • *August 15 • 2:00 p.m. EST*
- **Re-budgeting & Cost Transfers** • *September 12 • 2:00 p.m. EST*
- **F&A Trend Analysis Using CRIS®** • *September 19 • 2:00 p.m. EST*
- **The Utility Cost Adjustment (UCA)** • *October 17 • 2:00 p.m. EST*

Questions?



thank  
you

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