

FDP (FEDERAL DEMONSTRATION PARTNERSHIP) – January 6-7, 2014 Meeting

Plenary- Administrative Burden Session 1/6/14

- Faculty Workload Survey-Faculty wish list of changes- uniformity vs. flexibility
- Direct Charging comments sent to OMB last June
- Interagency group being developed (COGR, AAU, etc.) to discuss issues in new regs
- Desired financial management changes: simplified budgets, consistent audit policies across agencies, reduced travel expense review- use of per diems and reduced justification for large purchases.
- Single set of guidelines for animal research
- Elimination of effort reporting- desired by faculty

COFAR Update (Victoria Collin-OMB) 1/7/14

- Website: cfo.gov/cofar
- Focus in 2014 will be implementation
- Work on audit resolution as joint effort with agencies and grantees- reduce audit follow up
- AICPA has provided feedback to COFAR to improve audits
- There is a crosswalk from old circulars to new regulations
- Working on a repository of info for June 2014
- Effective date of 12/26/14- one year from 12/26/13 date of issuance
- Jan 27, 2014- Webcase
- Additional training webcasts will be scheduled
- Submit questions to COFAR@omb.eop.gov- accepting now for FAQ's expected in March 2014
- Federal agencies to submit draft regulations to OMB in June 2014- will probably result in additional training

COFAR New Uniform Guidance (Victoria Collin-OMB) 1/7/14

- Citation is Section 2- CFR 200
- Impacts of Reform:
 - A. Eliminating duplication- 8 circulars into 1 (A-102, A-87, A-133, A-110, A-21, A-122, A-89 and A-50)
 - B. Focus on compliance and not accountability
 1. 200.102- Alignment of OMB guidance M13-17 to promote cost effectiveness
 2. 200.201- Fixed amount awards- certain conditions must exist
 3. 200.301- Performance Measurement when submitting financial and performance information
 4. 200.419- Streamlined DS-2 approval process- applies to IHE's that receive federal awards totaling \$50 million or more. DS 2 requirement still exists. Amendments must be submitted to cognizant agency six months prior to desired effective date. IHE may proceed with the change only if it has NOT been notified that a longer period is needed for review or there are concerns with the change. Lots of comments were submitted referencing removing the DS 2 requirement but others felt it was important to leave in as a control mechanism for monitoring cost accounting practices and changes in policy/procedure.
 5. 200.430- Time and Effort Reporting- standards for internal control in enforcement rather than examples based on records that document 100% effort-

methodology not stipulated- puts more responsibility on the entity to determine methodology. Auditors to work on consistency in audits of effort reporting.

C. Consistent and Transparent Treatment of Costs

1. 200.306 –Voluntary Uncommitted Cost Sharing- only required on proposals when required by regulation and noted as such in the funding opportunity/budget
2. Appendix III (related to para B.4.c- O&M expenses)-UCA- Utility costs should be based on metering where appropriate. The amount recoverable will be limited to the 1.3% of the IHE's Indirect Cost Rate- until further review of new language and the definition of "effective square footage" can be considered. Calculation based on c) 1 & 2 of the B.4.c which does refer to definition of effective square footage as REUI * research laboratory space (which is not further defined). All institutions would be eligible but all institutions could apply for the 1.3% in a separate proposal. She did not expand on this point but did indicate this was a good area to submit questions /clarification on and she expected it would be covered more in the FAQ's.
3. 200.432- clarification on allowable conference spending; not applicable to meetings
4. 200.437- clarification on employee, health and welfare- does not include morale
5. 200.433- Clarification of budgeting for consistency- allowances for consistency must be included in the budget. Standards for estimation must be allowable, allocable and reasonable.

D. Standard Business Processes and Data Definitions- increased standardization of processes

1. 200.501-Raises Single Audit threshold requirement from \$500K in federal awards per year to \$750K.
2. 200.400- Expressly prohibit profit to be earned on awards- language was there.
3. 200.415- Stronger language for required certifications

NEXT FDP MEETING: May 11-13, 2014 Washington, DC