

2024 Uniform Guidance Revisions: Implementation

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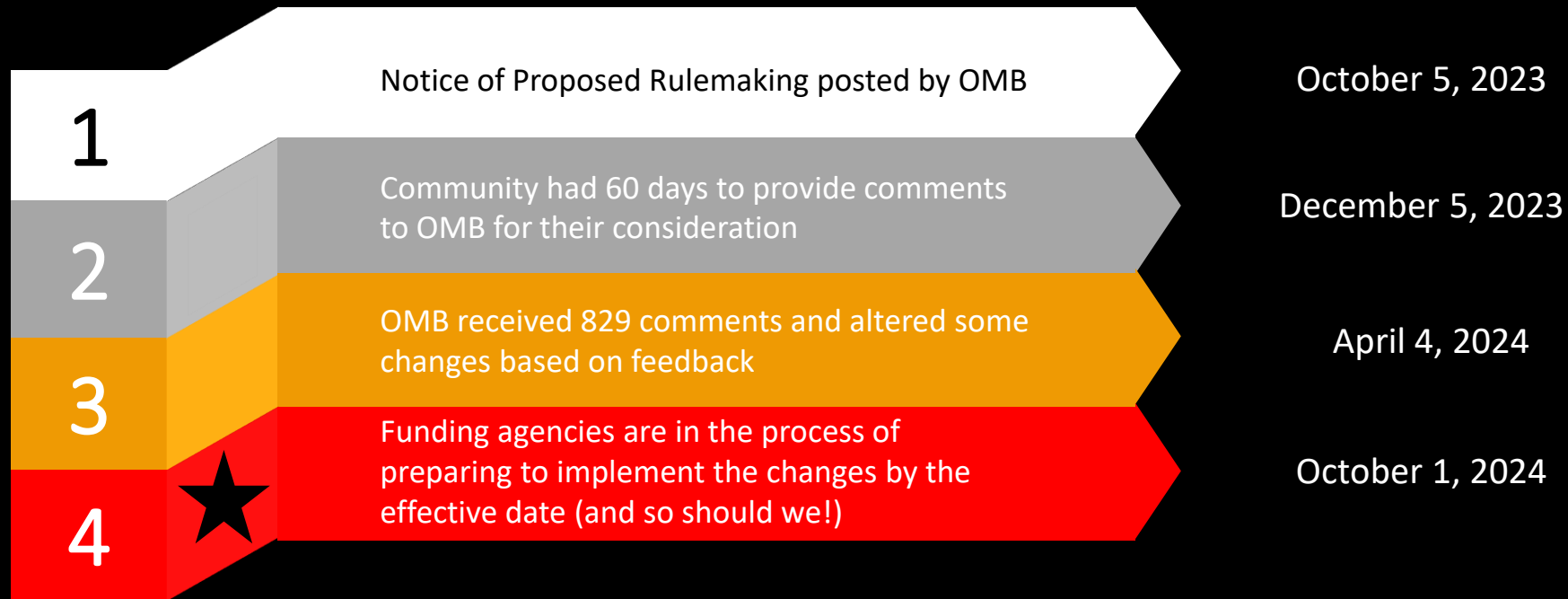


**Northeastern
University**

Agenda

- Overview of timeline
- Impact of Selected Provisions on NU Operations
- Dialogue with you!

TIMELINE OF CHANGES



Appendix II, PTE's Subaward IDC Recovery

The Change	PTEs will be able to recover \$50,000 instead of \$25,000 on every subaward
Hooray	Subawards utilize a lot of resources: this recognizes our investments in collaborations
Flip Side	Many faculty view this as a “tax” eating into valuable research dollars already
Operations	Systems and operational impact as we will have to wait for next rate negotiation to implement; messaging to faculty

Appendix II, PTE's Subaward IDC Recovery

- NU Implementation when NU is the PTE & award has subs
 - Budget for the additional IDC for each subaward for new awards going forward, up to the new \$50K levels.
 - Once the new rate agreement is finalized we will then increase the threshold effective after the rate agreement on those subs to \$50K and begin recovering the additional IDC.
 - For those agreements under the prior UG guidance and rate agreement, we will not increase the threshold, and we will not take the additional IDC.
- How are other institutions handling this?
 - The Council on Government Relations (COGR) is working with OMB to see if there is a more equitable way to implement this change rather than waiting for everyone's rate agreements to be renegotiated

200.308.(b) & (f)6: Revision of Budget & Program Plans

The Change	(b) Adds approval requirement for changes/new program scope/objective; adds reference to 200.329 (monitoring) (f)6: changes in subrecipients require approval when changing the scope of activities or if the agency puts it in the T&C of the award
Hooray	Ties rebudgeting of subrecipient entity changes more closely to programmatic goals; limiting when prior approval is required
Flip Side	Section b doesn't change all that much about when we have to ask for a rebudget request, but they do again put the onus on the PTE
Operations	Directly tying subrecipient activities & monitoring implies feds want the PTEs to be looking carefully at how expenditures tie to program objectives and performance

200.308.(b) & (f)6: Revision of Budget & Program Plans

- NU Implementation when NU is the PTE & award has subs
 - There has always been a requirement to seek prior approval when making a change in scope, so there is no change in process for that
 - As it relates to changes in subrecipients: NU-RES currently follows funding agency stated requirements regarding required prior approvals and this change will not constitute a change in NU-RES processes, unless a funding agency alters its requirements to add new prior approval requirements

200.332.e: Subrecipient Monitoring (see also 200.329a, Monitoring & 200.332.d Sub T&C's)

The Change	Stronger language that the PTE is responsible for subrecipient monitoring, including ensuring the subrecipient has completed the “goals and objectives of the subaward” & requires notification to funding agency of imposition of additional T&C on subrecipient
Hooray	Many of the requirements are consistent with the financial oversight we were already performing
Flip Side	Some of the requirements seem to bend more to integrity/performance matters, including obligation to consider when a subrecipient may no longer be able to meet its objectives
Operations	What implications might this have for research integrity and “checking the work” of a subrecipient? The text cites on-site reviews, what are the expectations for those?

200.332.e: Subrecipient Monitoring (see also 200.329a, Monitoring & 200.332.d Sub T&C's)

- NU Implementation when NU is the PTE & award has subs
 - Currently, NU-RES will not be changing subrecipient monitoring procedures
 - NU-RES continues to recommend that the college routinely ask the PI during check ins if they have any programmatic concerns, as the revised UG language also provides greater emphasis on the programmatic execution of the award
 - NU-RES sub invoice process requires PI approval to include confirmation that programmatic progress is as expected
 - If we need to impose additional T&C we will have to notify the funding agency of the specific new terms added, which may delay final issuances to subrecipient
 - In general, NU-RES only elects to impose additional T&C when a subrecipient is high-risk and/or a foreign entity, so this change will impact only a few subrecipients

200.333: Fixed Amount Subawards

The Change	Increases threshold from current Simplified Acquisition Threshold limit to \$500K for fixed amount subawards
Hooray	Provides increased flexibility in making programmatic and budgetary decisions
Flip Side	Fixed amount subs still requires prior approval, make sure it is clear and in writing: see NSF finding re: Oklahoma fixed amount sub
Operations	Does this change make it more desirable to leverage fixed-amount subawards here at NU? Pro might be for foreign sites: a milestone can be annual data delivery/access

200.333: Fixed Amount Subawards

- NU Implementation when NU is the PTE & award has subs
 - NU will continue to support the use of fixed amount subawards
 - The use of fixed price subs allows us to reduce administrative burden and cost
 - Use when appropriate and approved by the funding agency
- Change from June session:
 - OMB clarified that the use of fixed amount subaward is still subject to federal funding agency prior approval

200.414: Indirect Costs

The Change	PTEs and subrecipients may notify OMB of disputes related to a Federal agency's acceptance of a federally negotiated IDC rate; Raises the <i>de minimis</i> from 10% to 15%; while allowing PTEs and subrecipients to choose higher or lower rate
Hooray	Federal agencies/PTEs may not compel PTEs/subrecipients to use an IDC rate lower than 15%, unless required by statute
Flip Side	How will the Federal agencies handle these disputes? Could it hold up awards?
Operations	This will benefit many of our subrecipients that either don't have a rate or are foreign

200.414: Indirect Costs

- NU Implementation when NU is the PTE with subrecipients
 - As of 10/1/24 please budget using a 15% de minimis rate for those subrecipients without a negotiated overhead rate
 - If funding agency is NIH, the 8% overhead cap for foreign entities still applies
 - UW has some useful guidance here:
https://rsp.wisc.edu/awardmgt/outgoing_subs/subagmts_foreign.cfm

200.415: Required Certifications

The Change	Adds a separate certification for the subrecipient to use “whenever applying for funds , requesting payment, and submitting financial reports”
Hooray	Separates certification for PTE and subrecipients
Flip Side	Adds 18 USC 1343 which relates to wire fraud only to the subrecipient attestation
Operations	We will need to update our system generated attestation and train staff on the new attestation

200.415: Required Certifications

- NU Implementation when NU is the PTE & award has subs
 - Subrecipients must make additional certifications on their invoices that will now include 18 USC 1343 which relates to wire fraud
 - When reviewing incoming invoices, NU-RES will need to ensure the attestation contains the new, required certification
- NU Implementation when NU is the subrecipient
 - NU-RES will have to update the certification to include 18 USC 1343, on the radar
 - NU-RES working to build a new invoice for WD

DS-2 & Single Audit Requirements

The Change	If you have a single audit (threshold now \geq \$1M) you do not need to do the DS-2
Hooray	This is a reduction of administrative burden for many research institutions
Flip Side	Does not alleviate burden for smaller institutions with funding under $<$ \$1M Those with federal contracts still need DS-2 for FAR requirements
Operations	This will not change a lot for our operations, we will still need to do the DS-2 due to our federal contracts

DS-2 & Single Audit Requirements

- NU Implementation when NU is the PTE & award has subs
 - There will be no change in the NU-RES process for requiring a subrecipient questionnaire
 - Currently, NU-RES asks subrecipients to confirm if they are subject to the single audit and if they state they are not, NU-RES issues a subrecipient questionnaire for non-single audit institutions
- NU Implementation of DS-2 changes
 - No change: NU will continue to complete the DS-2 because NU holds federal contracts

200.100 and 200.313: Equipment & Supply Threshold

The Change	<p>Raises the capital equipment threshold to \geq \$10K (and thus supplies is raised to $<$ \$10K)</p> <p>Add requirement to report loss/damage/theft of equipment that impacts project</p>
Hooray	<p>Fewer items will need to be classified as capital equipment (which does not bear overhead)</p>
Flip Side	<p>More items will be classified as supplies (which does bear overhead)</p> <p>Reporting requirements for loss/damage/theft: we don't know yet what the expectations will be for timeline, etc.</p>
Operations	<p>Need to socialize the change with facilities and campus PD on loss/damage/theft</p>

200.100 and 200.313: Equipment & Supply Threshold

- NU Implementation:
 - Budget for the new thresholds (supplies <\$10K, equipment >=\$10K)
 - Consistent with new subrecipient \$50K threshold
 - Supply and Capital Equipment thresholds, including accompanying overhead rates will take effect when approved in a rate agreement
 - NU-RES will “turn on” the new thresholds in accordance with any updated rate agreements
 - Today the relevant system is Banner, as of 7/1/25 will be Workday
 - NU-RES may need to update:
 - Policy on Costs for Sponsored Agreements ([Policy 509](#))
 - Policy for Capital Assets (Asset Management) ([Policy 302](#))

200.314: Unused Supplies

The Change	\$10K threshold for unused supplies that may be vested with recipient for use on future projects; if sold, requires proportionate proceeds of any sales to go back to federal agency
Hooray	Changes also allow recipient to keep a portion of any sales of unused supplies
Flip Side	Tracking & accounting for unused supplies Concerns with tracking this toward the end of the project lifecycle
Operations	Tracking & disposition systems for this equipment may need to be in place to take advantage of this

200.314: Unused Supplies

- NU Implementation
 - NU does not generally sell unused supplies, but in the event that arises for any reason, reach out to Research Finance prior to initiating any transaction or putting any unused supplies up for sale
 - It will be the responsibility of the PI to track all supplies, including unused supplies through lab inventory

200.413.c: Admin Salaries

The Change	Removes the prior approval by federal agency of admin and clerical salaries
Hooray	This has the potential to reduce administrative burden and provide greater flexibility to charge salaries in direct support of complex programs
Flip Side	Institutions still need to document the direct nexus/benefit to the project and confirm the costs are not already recovered under F&A
Operations	Documenting and retaining documentation of this for the PTE and potential subs will be critical

200.413.c: Admin Salaries

- NU Implementation
 - Admin and clerical salaries should not be charged to any project without clear documentation that the expense has a direct benefit to the project and is above and beyond normal administrative functions
 - Contact NU-RES Finance in advance of proposal submission to discuss if the need arises
 - This documentation must be provided to NU-RES at the time of proposal or prior to any charges being posted to the relevant project
- NU Implementation when NU is the PTE & award has subs
 - NU-RES will require validation that any proposed clerical or administrative salaries are not covered by an institution's rate agreement and this documentation must be signed by an AOR
 - Documentation must be provided at the time of proposal or addition of the subrecipient

200.431: Compensation: Fringe Benefits

The Change	Clarifies that payment for unused leave can be allocated as either a general administrative expense or part of fringe; clarifies pension and healthcare costs can only be charged for employees on the project; clarified certain types of leave; added specifics about when severance to a foreign national needs funding agency approval
Hooray & Flip Side	None
Operations	Close examination of policy & process related to these areas

200.431: Compensation: Fringe Benefits

- NU Implementation
 - NU-RES will need to review how these items are currently charged and implement any systems changes to ensure compliance with the updated UG language
 - There will be further communication if any updates impact the colleges or specific projects
 - No changes currently, NU currently complies

200.456: Participant Support Costs

The Change	<p>Addition: participant support costs must be documented in policies and procedures and treated consistently, given they are excluded from Modified Total Direct Costs and the potential ambiguity of numerous costs that could be considered participant support costs;</p> <p>Removal: prior approval requirement for this item of cost</p>
Hooray & Flip Side	<p>Participant Support Costs are often confused with remuneration for human subjects engaged in research</p>
Operations	<p>Close examination of definitions, policy & process related to these areas</p>

200.456: Participant Support Costs

- NU Implementation
 - NU-RES will need to review all guidance, policies, and procedures related to Participant Support Costs to ensure they align to updated federal guidance
 - NU-RES will need to update Policy on Costs for Sponsored Agreements ([Policy 509](#)) to clearly define Participant Support Costs so that we can charge it in accordance with UG requirements
 - There will be further communication as changes are implemented
- NU Implementation when NU is the PTE & award has subs
 - Colleges should carefully review the Participant Support Costs justification to ensure that subrecipients are correctly identifying what constitutes a Participant Support Cost

Thank you!



200.332.d: Subrecipient T&C's

The Change	If a subrecipient's risk assessment necessitates additional T&C's you must notify the federal agency of the specific conditions
Hooray	This could change how and when PTE's impose award-specific conditions, especially if agency implementations require justifications
Flip Side	It does not indicate what the federal agency will do with that information; do you have to explain the rationale or just provide T&C?
Operations	Federal agency may change its expectations for sufficient subrecipient monitoring based on the terms the PTE has imposed; PTEs will need to have the notification for additional terms on file

200.329.a: Monitoring

The Change	NEW: “The recipient and subrecipient are responsible for the oversight of the Federal award. ... must monitor their activities ... ensure they are compliant with all requirements and meeting performance expectations. Monitoring ... must cover each program, function, or activity. See also § 200.332.”
Hooray	Everyone is responsible for the performance of the award or subaward!
Flip Side	As we will see in 200.332, monitoring responsibilities are heavily weighted to PTE
Operations	Same as preceding slide