

Changes in Federal Costing and Audit Policy

Costing Policies Committee
February 23, 2012

Timeline Revisited

- September 2010
 - National Research Council convenes
 - GAO Study “University Research: Policies for the Reimbursement of Indirect Costs Need to be Updated”
- November 2010
 - COGR paper “Federal Funding Agency Limitations on Cost Reimbursement: A Request for Consistency in the Application of Federal Guidelines”

Timeline Revisited

- January 2011
 - Executive Order 13563 Improving Regulation and Regulatory Review
- Spring 2011
 - Task Forces formed for
 - A-133 Single Audit
 - A-87
 - A-21

Timeline Revisited

- May 2011
 - COGR paper “Improving the Rate Setting Process with the Federal Government”
- June 2011
 - Costing Policies and RCA Committees meet with the A-21 Task Force on June 8
 - A-21 Task Force releases through NIH an RFI “Input on Reduction of Cost and Burden Associated with Federal Cost Principles for Educational Institutions” on June 28

Timeline Revisited

- July 2011
 - Costing Policies, RCS, AAU and APLU meet in Chicago July 14 & 15 to draft response to RFI
 - COGR submits 45 page response, 20 topics July 28
 - A-21 Task Force receives over 150 responses
- October 6, 2011
 - Costing Policies and RCA Committees meet with A-21 Task Force to discuss effort reporting

Timeline Revisited

- November 9, 2011
 - At the request of the Task Force, COGR submits “Discontinuation of the Effort Reporting Requirement”
- January 2012
 - Task Force submits recommendations to OMB and OSTP senior leadership
 - Danny Werfel, OMB Controller, updates COGR, AAU, APLU on next steps

Major Topics

- Limited F&A recovery, challenges of arbitrary agency policies – Cindy Hope
- COGR’s proposal to eliminate effort reporting – Mary Lee Brown
- Example of a “healthy” F&A negotiation – Sue Camber
- Direct charging of project management costs – Jim Luther

Other Issues

- Subrecipient monitoring
- Research communications, tools, & related supplies
- Arbitrary agency restrictions that limit F&A recovery
- 1.3% Utility Cost Adjustment
- Harmonization of Regulations and Policies
- Federal Ombudsman