June 11, 2014 - COFAR COGR June 11, 2014 Summary

Author: COGR

Published Date: 06/23/2014
Below are topics that were discussed at the January 29th and/or May 13th meetings, and topics still to be addressed. As we stated previously, we appreciate your willingness to continue this dialogue and are confident these discussions will contribute to:

- **The most effective implementation of the Uniform Guidance (UG), and ultimately,**
- **Improved and successful delivery of important Federal programs.**

<table>
<thead>
<tr>
<th>Section</th>
<th>Issue</th>
<th>Requested Action</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COVERED AT MAY 13 MEETING</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| **200.110** Effective/applicability date | Applicability to F&A rates is unclear. | - COGR meeting with OMB/HHS/DCA/ONR  
- FAQ to clarify |
| **200.110** Effective/applicability date | Implementation date of key provisions (admin charging, RTCs, etc.) still is uncertain. | - COGR and FDP to provide proposed solutions to COFAR  
- Modify implementation, accordingly  
- FAQ to clarify |
| **200.112** Conflict of Interest | Confirmation that this section refers solely to business and procurement conflicts. | - FAQ to clarify  
- COFAR should ensure consistent implementation in agency plans |
| **200.307** Program Income | Confirmation that Bayh-Dole supersedes treatment of license fees and royalties. | - FAQ to clarify  
- COFAR should ensure consistent implementation in agency plans |
| **200.317-326** Procurement Standards | Would require changes to current institutional practices, and 200.320 (Methods) will negatively impact PI/research productivity. | - 18 to 24 month grace period  
- COGR and FDP to provide proposed solutions to COFAR during grace period |
| **200.343** Closeouts | Utilize flexibility in the UG (agency authorized extensions, closeout actions completed within one year of receiving final reports) to implement in a manner that maximizes PI/research productivity. | - COGR and FDP to provide proposed solutions to COFAR  
- COFAR should ensure consistent implementation in agency plans |
| **200.431** Compensation – fringe benefits | Would require changes to current institutional practices (terminal leave, unemployment, post-retire health, etc.) by suggesting (in error) that these should be charged as indirect costs when the cash-basis method is used. | - FAQ to clarify  
- Update the UG to reflect a “technical error”  
- 18 to 24 month grace period (if not corrected as a “technical error”) |
<p>| <strong>NOT COVERED AT MAY 13 MEETING</strong> | | |
| <strong>200.313</strong> Equipment | New terms or context (“conditional title”, “use”, “federal participation”) raises concern of system revisions. | - FAQ to clarify (see COGR proposed FAQ per May 13 agenda) |</p>
<table>
<thead>
<tr>
<th>Section</th>
<th>Issue</th>
<th>Requested Action</th>
</tr>
</thead>
</table>
| 200.201 & .332| “Prior approval” for subawards up to the SAL is problematic for commonly used fixed agreements (clinical trials, foreign, etc.). Also, raises issue if fixed amount subawards can be used above the SAL. Finally, confirmation needed that “profit” (200.400g) restrictions are not meant to be applicable to fixed awards. | - FAQ to clarify  
- Implement exceptions for research  
- COFAR should ensure consistent implementation in agency plans |
| 200.436       | FAQ IV-1 does not fully clarify that institutional contribution is allowable. Disallowance would be a major change in Federal policy and would create a disincentive to accept assistance for the construction of buildings/equipment. | - Update the UG to reflect a “technical error”  
- Revised FAQ to clarify |
| 200.330       | Confirmation is needed that contractor (vendor) agreements exceeding $25k are subject to F&A. Per F&A rate agreements, all contractor agreements (at all dollar levels) are subject to F&A. Some agencies interpret the exclusion over $25k to be applicable to contractor (vendor) agreements. | - FAQ to clarify  
- COFAR should ensure consistent implementation in agency plans |
| 200.419       | IHEs need more certainty on the approval process. There is an equity issues since IHEs below the $50 million threshold and other non-federal entities are not subject to the DS-2. | - COGR meeting with OMB/HHS/DCA/ONR  
- COGR could establish “fast-track” approvals that do not necessitate changes to the DS-2 (e.g., admin/compute device charging/etc.)  
- FAQ to clarify |
| 200.331       | New monitoring requirements will add new and significant burden to prime recipients, especially for subs that are no longer covered by the single audit. | - COGR engagement with COFAR to simplify pass-through’s role in management decisions  
- COGR/FDP engagement with COFAR to establish “audit-review-waiver” when the sub is a peer, subject to the single audit |
| 200.430       | Helpful section that allows institutions to utilize alternatives to effort reporting. | - FAQ to clarify role of DS-2 approval  
- COGR could facilitate meetings with COGR and the audit community to monitor new practices and their acceptance |
| 200.303       | FAQ III-4 is helpful; the Green Book and COSO are useful guides, not reqs. | - Incorporate the FAQ into the annual publication of the Compliance Supplement |
| 200.301       | OMB-approved governmentwide standard information collections, such as the RPPR, are acceptable. | - COFAR should ensure consistent implementation in agency plans |
| 200.335       | Helpful section that formalizes and standardizes the use of electronic records. | - OMB could facilitate a meeting with COGR and the FAR Council to address consistency between the FAR and the UG |
| App III, C.8  | The UG restricts an IHE from changing accounting methods if the effect is to change the charging of a cost from F&A to direct. This is unique to IHEs. | - COGR/FDP engagement with COFAR to establish new models of direct charging that promote cost-effectiveness across Federal programs |