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
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