

COUNCIL ON GOVERNMENTAL RELATIONS

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August 3, 2016

Dr. Audrey Clark
Department of Health and Human Services
Submitted via regulations.gov

Subject: Proposed Changes to HHS Adoption of the Uniform Guidance

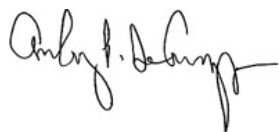
Dear Dr. Clark,

The Council on Governmental Relations (COGR) is an association of over 190 research universities and affiliated academic medical centers and research institutes that concerns itself with the impact of federal regulations, policies, and practices on the performance of research conducted at its member institutions. We appreciate the opportunity to comment on proposed changes to the Department of Health and Human Services' (HHS) adoption of the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards not previously codified in regulation.

The Notice of Proposed Rulemaking proposes to amend [45 CFR 75.414\(c\)](#) to add a provision to restrict indirect cost rates to a maximum 8% rate for certain grants including those to foreign organizations and foreign public entities, on the basis that they typically do not negotiate indirect cost rates. The notice indicates that this restriction flows down to subawards and subrecipients.

The proposed changes are in conflict with section 200.414(f) of the Uniform Administrative Requirements which indicates that any non-Federal entity that has never received a negotiated indirect cost rate may elect to charge a de minimis rate of 10% of modified total direct costs. This section of the Uniform Administrative Requirements does not include differential treatment for foreign entities. COGR urges HHS to reconsider retaining the 8% indirect cost rate for international organizations, which make valuable contributions to U.S. research endeavors, and apply the 10% de minimus rate consistent with the Uniform Administrative Requirements.

Sincerely,



Anthony P. DeCrappeo
President
Council on Governmental Relations