Viterbi OMB Uniform Guidance (A-81): Update

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OMB Uniform Guidance – A-81 Recap

• Combines A-21, A-110, A-133 and 5 other circulars into one document called the Uniform Guidance

• Intended to reduce administrative burden and streamline operations

2/28/12 – Advanced Notice of Proposed Guidance
2/1/13 – Federal Register Notice
6/2/13 – Comments from research community submitted to OMB
12/26/13 – Uniform Guidance released
12/26/14 – Interim Final Uniform Guidance effective
Implementation at USC

- Working group: Department of Contracts and Grants, OFA, SPA, and Office of Compliance.
- Working group reviewed current practices against the new rules to identify needed changes to grant administration processes.
- Winter 2014/2015: We have continued to document compliance with the new rule, continue training and development of guidance for faculty and research administrators.
A-81 applies to all federal awards made on or after December 26, 2014. In addition, most federal agencies are incorporating A-81 at the time additional funding is received and/or the terms of the award are modified, consistent with the below:

- All **new** awards effective on or after December 26, 2014.
- All **competitive renewals** effective on or after December 26, 2014.
- All **non-competitive continuations** effective on or after December 26, 2014.
- All funding **modifications (e.g., revisions, supplements)** effective on or after December 26, 2014.

**NOTE:** Please refer to the terms and conditions of the federal award to verify applicability of A-81.
Direct Charging of Administrative and Clerical Salaries (200.413)

The salaries of administrative and clerical staff should still normally be treated as indirect (F&A) costs. However, A-81 provides that direct charging of these costs may be appropriate if all of the following conditions are met:

(1) Administrative or clerical services are integral to a project or activity;
(2) Individuals involved can be specifically identified with the project or activity;
(3) Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
(4) The costs are not also recovered as indirect costs.
Direct Charging of Administrative and Clerical Salaries (200.413)

How to Comply:

• The proposal’s budget justification should explain how anticipated direct charging of administrative/clerical costs are justified using the new criteria.
• Please be detailed in describing how the position is integral (essential, vital, or fundamental) to the project.
• If the budget justification and administrative/clerical costs were not included in the proposal and approved by the sponsor, prior approval is **required** before incurring such costs.
Computers under $5,000/unit (200.453)

Computing devices under $5,000 per unit may be allowable if:

• The computing device is essential to the project because it is necessary to store, analyze, process, and publish data and other information electronically.
• The project does not have reasonable access to other devices or equipment that can achieve the same purpose.
• The PI and School/Department maintain documentation that describes how the proposed computing device meets these requirements.
Computers under $5,000/unit (200.453)

**How to Comply:**

- Include the cost of the computing device in the proposal.
- Explicitly address why the computing device is essential and cannot be met with existing resources.
- Appropriately allocate the cost across all sponsored and non-sponsored activity.
- Maintain any documentation supporting the assessment.
Participant Support Costs (200.75 and 200.456)

- Participant support costs (e.g., stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of trainees) are allowable on awards that include an education or outreach component.
- The costs must be separately budgeted and approved.
Participant Support Costs (200.75 and 200.456)

How to Comply:

- Specifically budget for any participant support costs on proposals that have an education or outreach component.
- Use following language in budget justification: “The inclusion of participant support costs in the budget and subsequent award by agency will be considered prior agency approval.”
- If participant support costs were not separately budgeted and awarded, prior approval is required.
Visa Costs (200.463)
Short-term visa costs are allowable, but only if:

- The visa costs can be identified and are directly connected to the work performed on a Federal award.
- The visa costs must be critical and necessary for the conduct of the project.
- Long-term visas that enable employment at USC (e.g., “J” and “H1B” visas) are not allowable as direct charges.
- Prior approval is not needed.
A-81 Highlights

Subawards (F&A) (200.331)

• Sub-recipient’s negotiated F&A rate must be used in competitive proposals unless the sponsor has a published F&A cap.

• If the sub-recipient does not have a negotiated rate, a 10% de minimus rate must be used by sub-recipient.

• To comply, upon receipt of the sub-recipient’s budget, ensure the rate used is the sub-recipient’s negotiated rate, or if no negotiated rate, no less than 10%.
Fixed Price/Rate Subawards (200.332)

• Prior approval is **required** to enter into fixed price/rate subawards, which may not exceed 150k.

• To comply, make sure there is a separate and explicit justification statement added to proposals contemplating a fixed price/rate subaward.
Payment of Sub-recipient Invoices

• Payments to sub-recipients, under cost-reimbursement subawards, must be made within **30 calendar days** after the receipt of the billing, unless the costs appear to be unusual or unallowable.

• Payments to sub-recipients, under fixed-price subawards, should be made consistent with the terms of the subaward.

• Submit legitimate invoices for payment promptly to ensure timely payment to sub-recipient.
DCG has created a subaward web page that covers the subaward process from start to finish and provides guidance that complies with A-81 (See https://research.usc.edu/subawards/). Issues addressed include:

• Distinction between subaward vs. vendor contract
• Adding new subcontractors
• Sub-recipient monitoring
• Monitoring technical and financial performance of sub-awardees.
A-81 Highlights

Cost Sharing (200.306)

• Voluntary committed cost sharing is not expected in federal research proposals.

• *Note:* The National Science Foundation specifically prohibits voluntary committed cost sharing in research proposals.

• Voluntary committed cost sharing cannot be used as a factor in the merit review process.

• Mandatory cost sharing is still allowed, if required by the federal sponsor and detailed in the solicitation.
A-81: Items to watch

Procurement Standards (200.317-326)

There are five procurement types:

• Micro-purchases $1-2,999 – must be reasonable
• Simplified $3,000 - $149,999 – must have documentation of more than one bid
• Sealed Bids > $150,000
• Competitive Bids
• Noncompetitive bids (sole source)

OMB delayed implementation until 2016 – MORE TO COME
(includes final rule and FAQs)

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