

“2 CFR 200 in 2024” or “What’s New in the Uniform Guidance”

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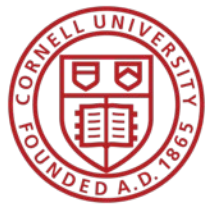
September 25 is National Research Administrator's Day



Yay
You
!



Thank you for all that you do to facilitate research
and sponsored activity at Cornell!



What's New in the Uniform Guidance Background

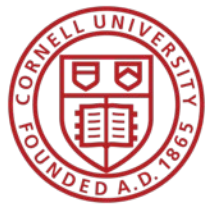


Background

- Uniform Guidance was first effective on December 26, 2014. It replaced many OMB Circulars, of which three were applicable to Cornell (A-21, A-110, A-133)
- Minor modifications have been made since then, with the most significant changes occurring in 2020
- OMB has been working on these changes for the past two years
- The UG is one of the “parts” of the federal financial assistance guidance. Other parts were also revised with lesser impact to Cornell grantees.

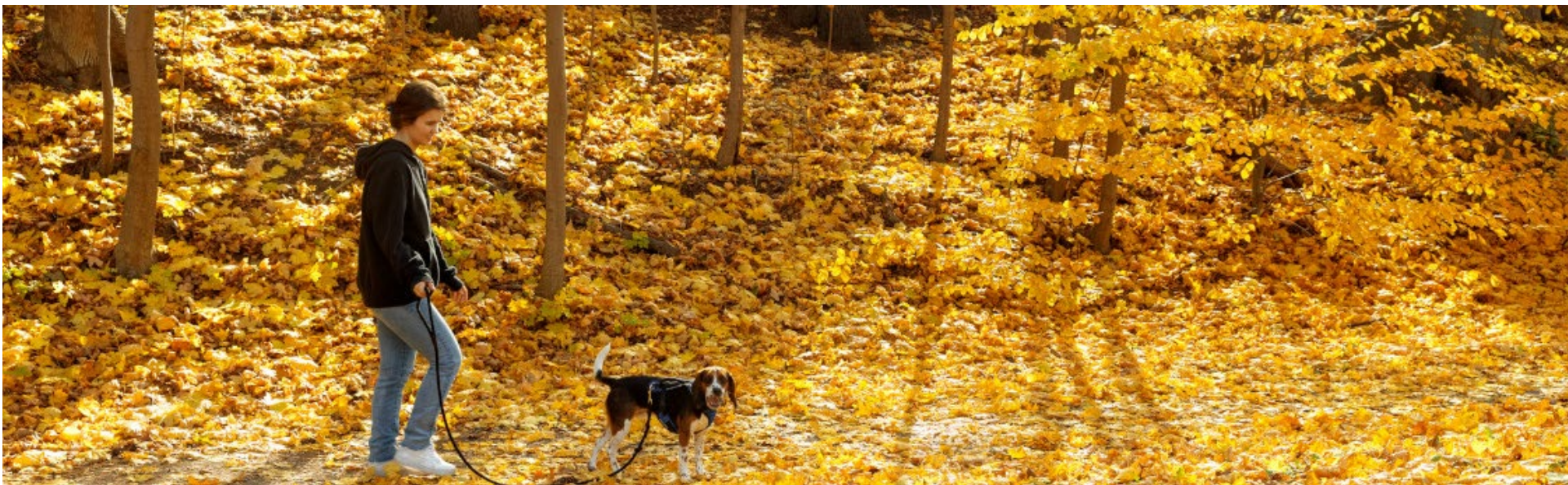
Goals of Update

- Incorporate statutory requirements and administration priorities
- Reduce agency and recipient burden
- Clarify sections that recipients or agencies have interpreted in different ways
- Rewrite applicable sections in plain language, improving flow, and addressing inconsistent use of terms within the guidance
- Sought to maintain existing structure of 2 CFR guidance, which generally remains intact (parts, subparts and sections)



What's New in the Uniform Guidance

Key Changes and Anticipated Implementation Dates



Effective Dates

- Unless otherwise indicated these changes will be effective for:
 - New awards issued on or after October 1, 2024
 - Amended awards issued on or after October 1, 2024, where the new guidance is explicitly incorporated
 - Terms and conditions in RASS will note if an award is under the UG 2024.

New version as published in the Federal Register in April:

www.federalregister.gov/documents/2024/04/22/2024-07496/guidance-for-federal-financial-assistance

Equipment (§200.1 et al.)

- Equipment threshold may be raised to \$10,000 with approval of cognizant agency
 - Cognizant agency has indicated that this can only happen with a new or extended rate agreement
 - **If we opt to change our first opportunity for implementation will be no earlier than awards issued on or after July 1, 2026 (FY27)**
 - We will notify campus when and if it should be incorporated into proposals
 - WMC has been approved for new threshold effective July 1, 2025

Equipment sales (§200.313)

- Title to equipment on most awards remains conditional
 - Unless agency specifies that it is considered exempt property
- Currently if equipment is sold after an award is closed the government needs to receive their share of the proceeds above \$5,000
- This changes to \$10,000

Supply retention (§200.314)

- Surplus supplies at the end of an award may be retained for use on other federal awards
- If not needed for other federal awards the government needs to be compensated for any value above \$5,000
- This changes to \$10,000

Closeouts (§200.472(b))

- Post-term administrative closeout, publication, and data sharing costs allowable if liquidated prior to final financial report
- Policy 3.20 limits unit activity to the lesser of 60 days or 30 days prior to the financial report due date
- You must coordinate post-term costs with SFS to ensure reimbursement and prevent delay of final financial report

Participant Support Costs (§200.1)

- New definition of participant now includes employees
- Limited to those benefitting from – not delivering service to – funded activity (e.g. conference, training program)
- Must be interpreted narrowly
- Prior approval required to move to non-PSC categories and and in some instances to move to another PSC subcategory

Revisions to Program Plans (§200.308)

- Changes to personnel and contractors listed by name or position in the notice of award require prior approval.
 - Goes beyond today's key personnel
- Start of new budget period clearly defined as not constituting a new award, and thus not eligible for pre-award costs
 - May prohibit “negative carry-forward,” i.e. spending ahead of the rate of funding, where an increment does not result in a cumulative budget period.

Changes to certain prior approvals (§200.308)

- Memberships, subscriptions, selling, marketing, taxes, entertainment and directly charging administrative and clerical salaries have been removed from the list of required agency approvals
 - Must still be necessary to meet the requirements of the project
 - Must still be consistently direct or indirect
 - Must still follow university policies regarding allowability
 - No university policies have been changed at this point.

Fixed Price Awards or Subawards (§200.333 and §200.201)

- Higher amount (\$500,000) can be used for fixed price subawards
 - Requires agency approval
- Subaward costs must be allowable and subject to audit
- Cannot be used in projects that require cost sharing
- Final cost certification is required
 - May need new certification language

Higher Risk Subawards (§200.332)

- Cornell is required to perform a risk analysis as part of issuing a subaward, and occasionally a subawardee is considered higher risk and the subawardee given additional terms and conditions
- In such instances we will now be required to notify the sponsor of the risk and the additional conditions

De Minimis Indirect Cost Rate (§200.332)

- *De Minimis* rate increases to up to 15% for subrecipients who lack a federal rate
- Valid on new subawards on awards issued on or after October 1



What's New in the Uniform Guidance Challenges



Agency Implementations

- Each agency needs to implement the new guidance, and that may not be in place by October 1.
 - Research Terms and Conditions are effectively gone for new awards
 - Will have to deal with multiple terms simultaneously
 - NSF: implemented at <https://new.nsf.gov/policies/pappg/24-1> and https://www.nsf.gov/awards/managing/award_conditions.jsp?org=NSF
 - NSF Policy Webinar Series: <https://nsfpolicyoutreach.com/resources/revision-of-the-nsf-award-conditions-to-implement-the-revised-2-cfr/>

New thresholds for subawards and equipment

- If the university is pursuing these options we will need to:
 - Make sure that we have threshold information available to campus timely to include in proposals
 - Recognize that we will have awards at different thresholds for several years
 - Accounting and policy changes will be necessary
 - Keep in mind that increased thresholds lower IDC rate, but have the potential to increase IDC recovery



What's New in the Uniform Guidance

Work to Be Done



To do list: OSP

- Review subaward requirements
- Alter terminology changes (e.g. F&A → IDC) in documentation
- Monitor and disseminate agency implementation plans
- Update RASS T&Cs as appropriate for new awards and increments
- Update RACP material

To do list: SFS

- Review policies for potential impact. May include:
 - 1.1 Cost Sharing for Sponsored Agreements
 - 3.8 Program Income from Sponsored Projects
 - 3.9 Capital Assets
 - 3.14 Business Expenses
 - 3.18 Charging Directly to Sponsored Projects Costs that are Normally Considered Indirect
 - 3.20 Cost Transfers on Sponsored Agreements

To do list: SFS

- Review potential impact of change for payment vacation upon separation
- Consider documenting policy and process for reviewing IDC rate for subawardee
- Evaluate threshold options as part of FY26 IDC proposal
- Update RACP and various FIN class training material



Questions?