



OMB Uniform Guidance

Selected observations for the post award administrator

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What we will be covering today:

- ▶ Selected subtle changes to A-21, Section C in the new guidance
- ▶ Selected subtle changes to A-21, Section J in the new guidance
- ▶ Indirect review of basic cost principles for post award administration

Let's take a look at some changes
in the "Basic Considerations"
Section

§ 200.402-405
versus
A-21, Section C. 1-4

Basic Considerations: § 200.403 versus A-21, Section C.2. Factors affecting allowability of costs.

- ▶ The phrase “generally accepted accounting principles” is now more formalized as “GAAP”.
- ▶ Per § 200.49, “*GAAP* has the meaning specified in accounting standards issued by the Government Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).”

Basic Considerations: § 200.403 versus A-21, Section C.2. Factors affecting allowability of costs. Continued.

Added: For a cost to be allowable under a Federal award, it must not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.

Basic Considerations: § 200.403 versus A-21, Section C.2. Factors affecting allowability of costs. Continued.

- ▶ Added: To be allowable, costs must **be adequately documented**.
- ▶ Some other references to documentation have been removed such as under the effort and allocation sections.

Basic Considerations: § 200.404 versus A-21, Section C.3. Reasonable costs.

There are a couple of subtle changes in this section:

- ▶ Adds that the cost must be of a type generally recognized as ordinary and promote the efficient performance of the award.
- ▶ Market prices for comparable goods or service for the area must be considered.
- ▶ Cannot unjustifiably increase cost when deviating from usual practice.

Basic Considerations: § 200.405 versus A-21, Section C.4. Allocable costs.

- ▶ To be considered allocable, the cost can now be “specifically” for the project versus “solely.”
- ▶ Softens guidelines on shifting costs, by opening up the possibility of shifting costs that are allowable under two or more Federal awards.
- ▶ However, later in § 200.451, it adds verbiage that overdrafts on one award cannot be transferred to another award.



Case study: Shifting costs

Basic Considerations: § 200.405 versus A-21, Section C.4. Allocable costs. Cont.

- ▶ Removes reference to internal controls.
 - ▶ This was formerly the only specific reference in A-21 or A-110.
 - ▶ Instead a whole section is created--§ 200.303 Internal controls.
 - ▶ Reference to internal controls added in effort section.

Let's take a look at some changes
in the
"General Provisions for Selected
Items of Cost" Section
§ 200.420-475
versus
A-21, Section J.1-54

§200.421 versus A-21, Section J.1. Advertising and public relations costs.

New!: (b) The only allowable advertising costs are those which are solely for: (4) **Program outreach** and other specific purposes necessary to meet the requirements of the Federal award.

§200.432 Conferences versus A-21, Section J.32. Meetings and Conferences

- ▶ Conference is defined as a meeting, retreat, seminar, symposium, workshop, or event.
- ▶ Requires that the conference disseminate technical information **beyond the non-Federal entity**.
- ▶ Adds the conference must be necessary and reasonable for successful performance of the award.
- ▶ Conference hosts/sponsors must exercise discretion and judgment in ensuring that conference costs are appropriate, necessary and managed in a manner that minimizes costs to the Federal award.
- ▶ Can charge the cost of identifying dependent-care resources.

§ 200.438 versus A-21, Section J.17. Entertainment costs.

- ▶ Takes out examples of entertainment costs
- ▶ Allows entertainment costs--
 - ▶ Where there is a programmatic purpose
 - ▶ Authorized by agency via approved budget or prior written approval



Case study: Entertainment costs

§ 200.445 Goods or services for personal use. (Former A-21, Section J.22-23.)

- ▶ Housing and personal living expenses can be allowed if approved in advance by sponsor.
- ▶ They would need to be direct costs.

§ 200.453 Materials and supplies costs, including costs of computing devices. Formerly A-21, Section J.31.

Added: “...In the specific case of computing devices, charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award.”



Case study: Computing Devices

§ 200.454 Memberships, subscriptions, and professional activity costs. (Formerly OMB A-21, Section J.33.)

Adjusted: (c) Costs of membership in any civic or community organization ~~are unallowable~~ **are allowable with prior approval by the Federal awarding agency or pass-through entity.**

New: § 200.75 and 200.456 Participant support costs.

§ 200.456 Participant support costs.

Participant support costs as defined in § 200.75 Participant support costs are allowable with the prior approval of the Federal awarding agency.

§ 200.75 Participant support costs.

Participant support costs means direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects.

§ 200.458 Pre-award costs versus A-21, Section J.36. Preagreement costs.

- ▶ Pre-award costs must be “directly pursuant to the negotiation and in anticipation of the Federal award” .
- ▶ Pre-award costs must be “necessary for efficient and timely performance of the scope of work.”
- ▶ Pre-award costs must have **written** approval of the agency.

§ 200.461 Publication and printing costs. Formerly A-21, Section J.39.

- ▶ Adds that electronic media is considered a publication cost.
- ▶ Removes description on types of publication costs.
- ▶ Adds the ability to charge the award before closeout for publication costs that will not be incurred during the period of performance.

§ 200.463 versus A-21, Section J.42. Recruiting costs.

Short Term Travel Visa Costs can now be allowable as a direct cost as long as the following qualities are met:

- ▶ Be critical and necessary
- ▶ Be considered allowable
- ▶ Be treated consistently at the institution
- ▶ Meet the qualifications of a direct cost

§ 200.474 versus A-21, Section J.53. Travel costs.

- ▶ Adds reinforcement that travel costs must follow your written travel policy
- ▶ Travel costs of government officials can possibly be allowable
 - ▶ Need prior written approval of sponsor
 - ▶ Must be specifically related to the award

Travel costs continued

- ▶ For lodging and subsistence costs, now our documentation must justify the following:
 - ▶ Participation of the individual is necessary to the award
 - ▶ The costs are reasonable
 - ▶ The costs are consistent with your travel policy
- ▶ Airfare costs now must not be in excess of the “basic least expensive unrestricted accommodations class”

Travel costs continued

- ▶ Dependent care costs might be allowable:
 - ▶ Must be over and above usual care
 - ▶ Must become necessary due to traveling for the award
 - ▶ Must be in accordance with your travel policy for all travel
 - ▶ Must be temporary during travel period

Travel costs continued

Dependent travel:

- ▶ Dependent travel costs are usually unallowable.
- ▶ If the dependent travel costs are for travel over 6 months or more, it can be allowed with prior sponsor approval.



Concluding Thoughts

Areas of focus that are outside the scope of this presentation:

- ▶ Procurement changes
- ▶ Effort changes
- ▶ Internal Controls
- ▶ Subrecipient Monitoring
- ▶ Overload Compensation
- ▶ Cost-sharing changes
- ▶ All costs needing prior written approval



Questions or Comments?

Feel free to contact me anytime:

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**Please also see the Resources at the back of the Handout.*