

UNIFORM GUIDANCE

KEY CHANGES AND ALLOWABLE COSTS

NORTHERN NEW MEXICO COLLEGE



Learning Objectives -

- Have an awareness of the Federal grant compliance provisions in the Uniform Guidance (UG).
- Understand how the False Claims Act applies to federal grant awards.
- Have an awareness of how the Uniform Guidance is implemented at Northern New Mexico College

What is the Uniform Guidance?

- ❖ The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, supersedes and consolidates the requirements of eight existing OMB Circulars (A-21, A-50, A-87, A-89, A-102, A-110, A-122 and A-133).
- ❖ For universities and other institutions of higher education, the Uniform Guidance also replaces OMB Circulars A-21, A-110, and A-133.
- ❖ The new guidance is used by all Federal agencies issuing grants to non-Federal entities.
- ❖ The Uniform Guidance went into affect December 26, 2014

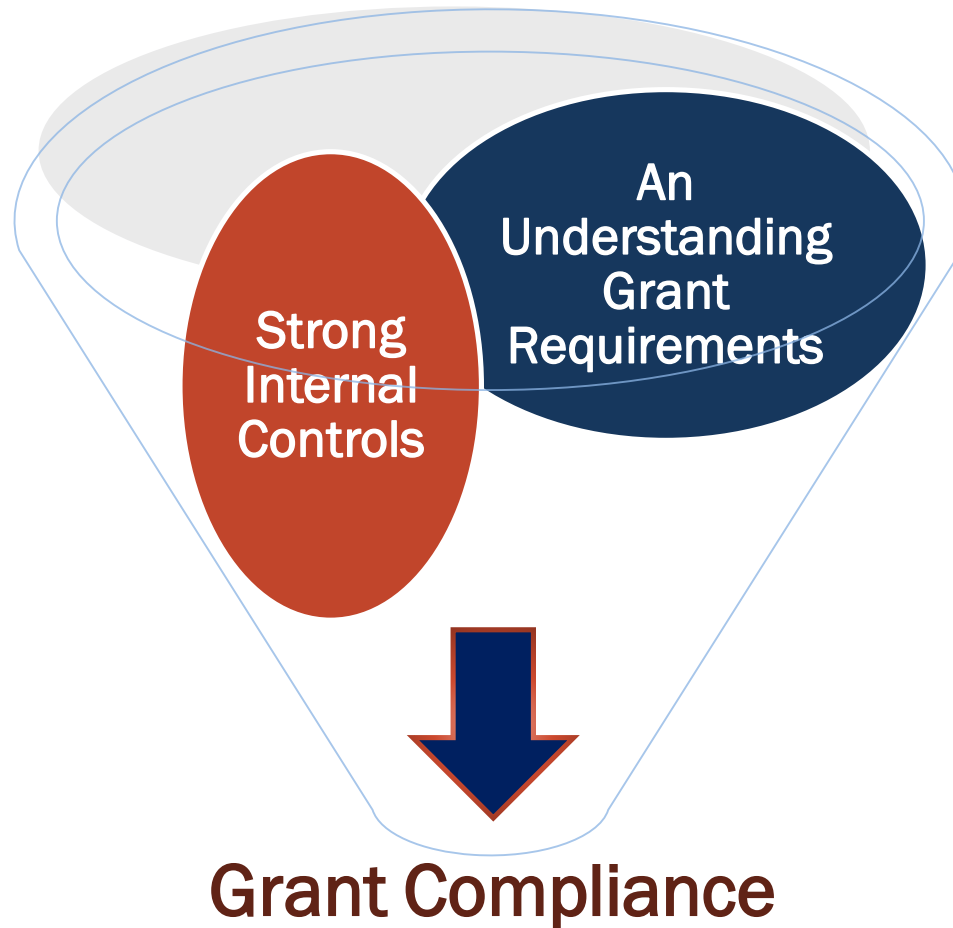
Why was the Uniform Guidance created?

- To improve performance and outcomes of federally funded programs/projects.
- To reduce administrative burden associated with the monitoring of federal awards and contracts.
- To reduce the risk of waste, fraud, and abuse of federal funds.
- To consolidate and make consistent the administrative requirements, cost principles and audit requirements for all federal awards.

How do you know if Uniform Guidance, or other special conditions apply to your award or subaward?

- ❖ The Grant Award Notification (GAN) or Notice of Award (NoA) will provide the federal award information as required by 2 CFR § 200.210, including references to agency CFR codes that implement UG standards applicable to the award and/or numbered amendments.
- ❖ Federal agencies have the option to apply Uniform Guidance requirements to existing grants awarded prior to 12.26.14 and non-competing continuations as new budget periods begin.

What is Grant Compliance?



Who is responsible for Grant Compliance?

Principal Investigator,
Program Director,
Department Chair/Dean,
Provost

Accounting/Budget

Anyone requesting or
authorizing
expenditures paid by
federal funds

Grants Department

Procurement/Purchasing

Possible results of improper grant compliance –

- Loss of funding

- Bad press

- Audit Findings

- Designation as ‘High Risk’ grantee by the awarding agency –

 - ✓ Could reduce future funding, including awards from other federal agencies.

False Claims Act (31 U.S.C. § 3729)

under the U.S. False Claims Act, persons working with federal funds are prohibited from “knowingly presenting, or causing to be presented, to an officer or employee of the U.S. Government or a member of the Armed Forces of the U.S. a false or fraudulent claim for payment or approval.” (31 U.S.C. § 3729)

Prohibits:

- **Knowingly presenting or causing to be presented, a false or fraudulent claim for payment or approval**
- **Knowingly making, using or causing a false record or statement material to a false or fraudulent claim**

False Claims Act – Example 1 – Unallocable Costs

Yale University Settlement (2008) - Yale University entered into a \$7.6 million settlement with the Department of Justice to resolve allegations investigated by the National Science Foundation, the Dept. of Energy, the Dept. of Defense, and the Department of Health and Human Services for violations of the False Claims Act for mischarges to Federal grants.

- ❖ **The investigation identified two types of mischarges to grants:**
 - ✓ Unallocable charges: researchers transferred charges to a federal grant that were not allocable to it when the grant was winding down and the remaining funds needed to be spent.
 - ✓ Salary charges: researchers charged 100% of their summer effort to federal grants despite spending much of their time on unrelated work.

False Claims Act – Example 2 – Allowable Costs

Northwestern University (2013) – Northwestern University entered into a \$3 million settlement with the Department of Justice to resolve allegations investigated by the U.S. Department of Health and Human Services for NIH grant violations of the False Claims Act.

❖ Investigation identified two types of mischarges to grants:

- ✓ Unallowable charges: researchers used federal grant money to pay for personal travel, hotels, and meals.
- ✓ Conflict of Interest: researchers hired unqualified friends and relatives as ‘consultants’ on the grant.

Interpreting the Uniform Guidance–



Uniform Guidance

'Must' = requirement

'Should' = Best Practice, Suggestion, Recommendation

The UG regulations are not open to personal interpretation!

When in doubt, check with 1) the NNMC Grant Office, 2) the NNMC Grant Accountant, or 3) the Federal Program Manager.

Grant compliance includes –



2 CRF Part
200



Terms and
Conditions of
the Federal
Award



State Statues
and
Regulations



NNMC
Policies and
Procedures



When does the Uniform Guidance become relevant?

- ✓ **Pre-Award:** During the grant planning stage – including the proposal writing & application submission.
- ✓ **Post-Award:** During the Federal award's programmatic period.
- ✓ **Close-out:** During the liquidation and closeout of the federal award.
- ✓ **Future funding:** Bad performance on a Federal award can affect future funding opportunities.

How Is Uniform Guidance Applied at NNMC?

- ❖ The Uniform Guidance provides the “ground” for institutional compliance for federal awards.
- ❖ NNMC recognizes that Uniform Guidance does not mean uniform procedures, and that the awarding Federal agencies provide policies and instructions on award administration of the UG.
- ❖ In addition to the above, the NNMC also follows all applicable State statutes, as well as its own institutional policies in the administering of the UG.

RESOURCES

- ❖ Further Information • Text of “2 CFR 200 Uniform Guidance” available online at the Federal Register on www.ecfr.gov.

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