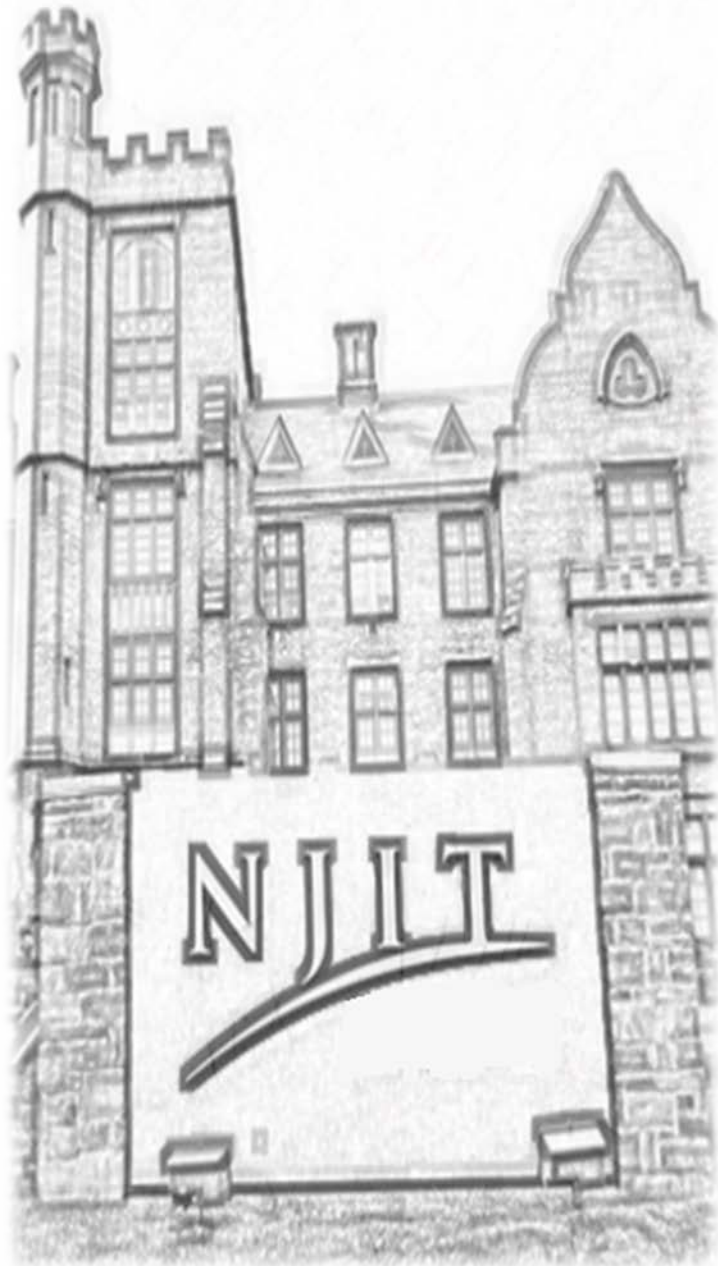


Uniform Guidance and Compliance



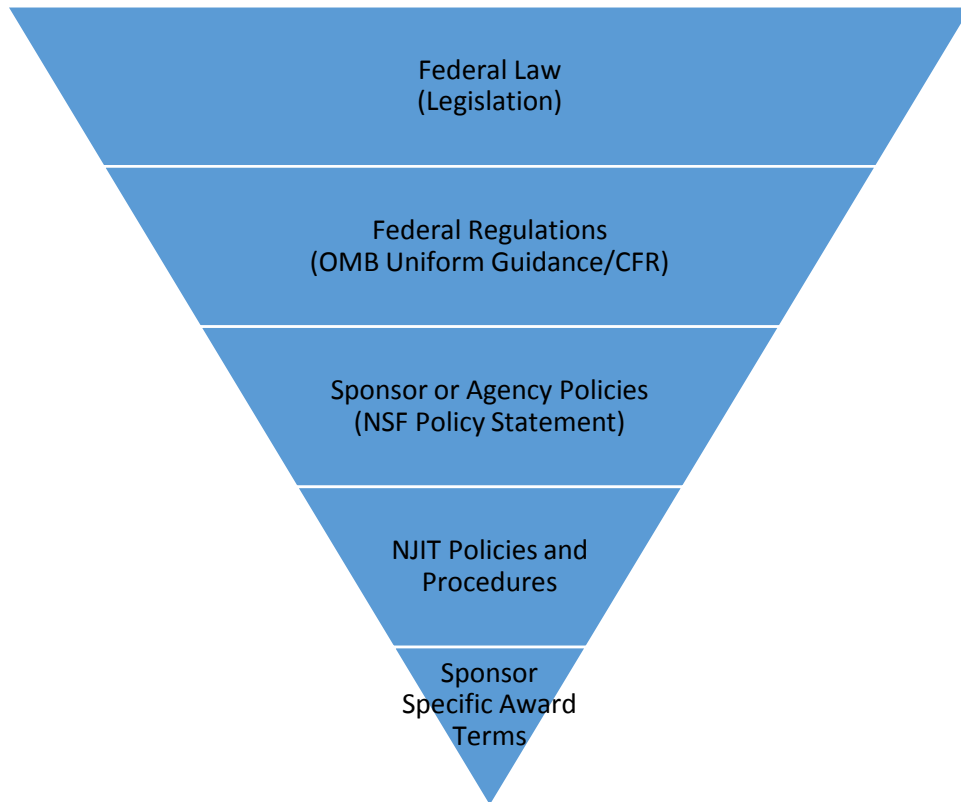
Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

at 2 CFR 200

[Uniform Guidance](#)



Award Management Regulatory Grant Pyramid



- There are varying levels of regulations that govern Sponsored Funds.
- The order of precedence usually starts with the individual award terms and then each layer of regulation is applied to determine the applicable rule.
- In most cases, the more stringent or restrictive rule of all the layers apply.
- Audits are conducted at different levels to ensure the entity is compliance with all these regulations.

Uniform Guidance

The Office of Management and Budget's (OMB) **Uniform** Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called "**Uniform Guidance**") was officially implemented in December 2014.

Code of Federal Regulations (CFR) - [Uniform Guidance](#)

The Uniform Guidance – a "government-wide framework for grants management" – is an authoritative set of rules and requirements for Federal awards that synthesizes and supersedes guidance from earlier OMB circulars.

Uniform Guidance

The reforms that comprise the Uniform Guidance aim to reduce the administrative burden on award recipients and, at the same time, guard against the risk of waste and misuse of Federal funds. Among other things, the OMB's Uniform Guidance does the following:

- Removes previous guidance that is conflicting and establishes standard language;
- Directs the focus of audits on areas that have been identified as at risk for waste, fraud and abuse;
- Lays the groundwork for Federal agencies to standardize the processing of data;
- Clarifies and updates cost reporting guidelines for award recipients.

Access to full online document:
[Uniform Guidance](#)

Cost Principles

Federal Regulations establish principles for determining costs applicable to Awards. The four main principles are:

Reasonableness

Nature of goods/services and related price are reasonable

A prudent person would have accepted terms based on circumstances at the time of the decision

- Work is necessary for the performance of the sponsor agreement
- Cost doesn't violate any restraints or requirements
- Actions taken in respect to incurring the cost is consistent with established institutional policies and practices applicable to the work of the institution, including sponsor agreements and federal regulations

Allocability

- The cost of the goods/services are able to be directly assigned to the award based on the benefit provided.

- Does this cost advance the work under the Award?
- Is the proper methodology applied to ascertain the direct benefit to this award if partial?

Consistently Treated

- All costs incurred for the same purpose, in like circumstances, must be treated uniformly either as direct costs or as indirect (F&A) costs.
- These costs must be treated the same for all work under similar circumstances, regardless of the source of funding

Allowable

- Costs expressly unallowable or mutually agreed to be unallowable shall be identified and excluded from any billing, claim, application or proposal related to the sponsored project.
- Costs are permitted within general federal regulations, the terms of the specific award, and/or the institution's indirect cost rate and policies.

Internal Controls

Means a process, implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

Effectiveness and efficiency of operations

- Procedures
- Performance Metrics
- Training

Compliance with applicable laws and regulations

- Policies
- Appropriate Approvals
- Proper Documentation
- Justifications/Explanations

Reliability of reporting for internal and external use

- Financial Status Reports
- Regular Monitoring
- Financial Systems
- Data Entry and Standards

Compliance Requirements – Areas of Audit Review

- Activities Allowed or Unallowed
- Cost Principles
- Cash Management
- Reserved (Davis-Bacon Act)
- Eligibility
- Equipment and Real Property Management
- Matching, Level of Effort and Earmarking
- Period of Performance
- Procurement and Suspension and Debarment
- Program Income
- Reserved (Real Property Acquisition and Relocation Assistance)
- Reporting
- Subrecipient Monitoring
- Special Tests and Provisions

Key Focus Areas – Other Review

- **Administrative Management**
 - Oversight of the sponsored program
 - Program and fiscal coordination
 - Policies, procedures and relevant manuals are available to staff
 - Administrative meetings and minutes documentation
 - Hiring of qualified staff and provide required training
 - Adequate resources are available to sustain program operations
 - Subcontract/consultant management protocols
- **Fiscal Management**
 - Expenses align with budgets and burn rate for the period
 - Appropriate procurement methods followed
 - Expenses incurred within the period
 - Personnel records – Time and effort
 - Prior Approvals from sponsor obtained as applicable
 - Internal controls and approvals
 - Other special requirements and conditions as per guidelines

Websites

Uniform Guidance Policy

https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

NSF Policy

https://www.nsf.gov/pubs/manuals/gpm05_131/index.jsp

NIH Policy

<https://grants.nih.gov/grants/policy/nihgps/HTML5/introduction.htm>

[NIH Commons](#) – For NGAs (agreement notice), Progress Reports and FFR submissions

Office of Research Policies

<http://www.njit.edu/research/researchers/policies-forms.php>

Official University Policies

<https://www.njit.edu/policies/>