

Public Law 106-107

Federal Financial Assistance Management Improvement Act of 1999

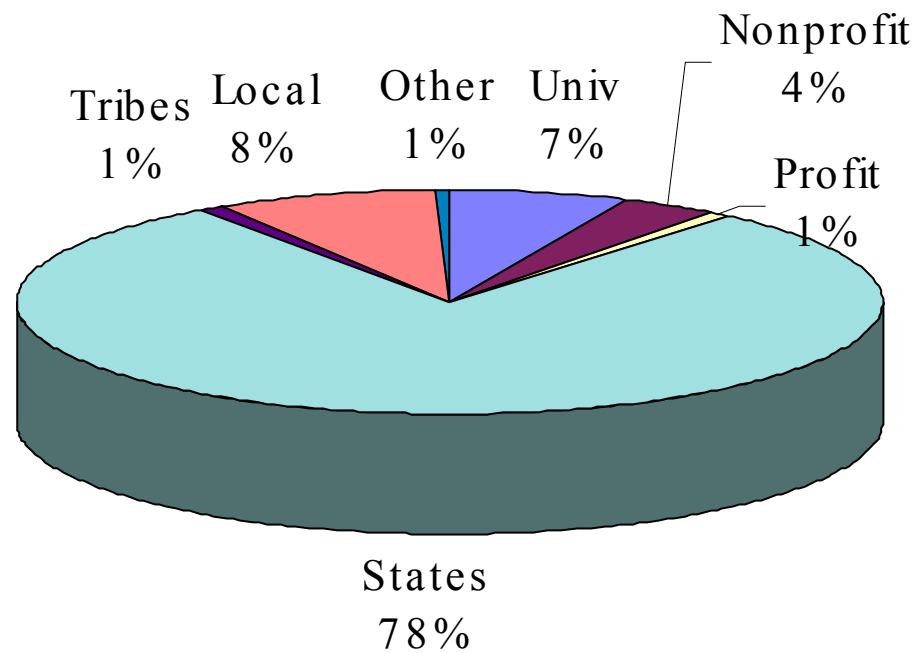
Presented by: Debbie Rafi, ONR
NECA Conference - March 14-16, 2001

Because you were wondering...

- **Federal Govt. spends approx. \$300 Billion per year in grant awards**
- **There's over 600 different Federal financial assistance programs to implement domestic policy**

Scope

VARIOUS RECIPIENTS / \$300B PER YEAR



Scope

RESEARCH AWARDS ARE PRIMARILY AT UNIVERSITIES & RESEARCH NONPROFITS

	UNIVERSITIES AND RESEARCH NONPROFITS	GOVERNMENTS AND OTHER NONPROFITS
DOLLARS	\$21 BILLION (76% RESEARCH AND RELATED)	\$256 BILLION
AWARDS	71,000	147,000

Public Law 106 - 107 - An Act to:

- **To improve the effectiveness and performance of Federal assistance programs**
- **Simplify Federal Financial Assistance application and reporting requirements**
- **Improve the delivery of services to the public**

Public Law 106 - 107

- **Federal Agencies have 18 Months from date of this act to develop and implement a plan**
- **Agency Plans shall receive public comment and to the extent practical hold public forums on the plan**
- **Agency Plans shall be submitted to OMB and Congress and reported on annually**

Public Law 106 - 107

- **Report to Congress recommended changes to law not later than 18 months after the date of this act**
- **GAO shall evaluate the effectiveness of this act not later than 6 years after the enactment date**

CFO Council

Grants Management Committee (HHS Chair)

General and Policy Oversight HHS/OMB Co-Chair

- Simplification Workgroups
- Budget/Resources
- Entitlement Grant Regulatory Coverage
- Organizational Study

Pre-Award Workgroup DOD Chair	Post-Award Workgroup NSF Chair	Audit Oversight Workgroup DOT Chair	Electronic Workgroup IAEGC Chair
<ol style="list-style-type: none"> 1. Streamlining Application Forms 2. Terms & Conditions 3. Debarment & Suspension 	<ol style="list-style-type: none"> 1. JFMIP Document 2. Cost Principles 3. Pooled Payments 4. Use of PMS & ASAP 5. Streamlining Reporting Forms 	<ol style="list-style-type: none"> 1. Study of FAC 2. Compliance Supplement/Guidelines 3. Revise SF-SAC 4. FAC Website 5. Delinquent Single Audits 	<ol style="list-style-type: none"> 1. Federal Commons 2. State, Local, Nonprofit, Other 3. Research and Related

Beyond November 1999...

- July 2000 - CFO Council Grants Management Committee -Kick Off Meeting
- October 2000 - Consultation meetings with
 - State/Local/Tribal Governments
 - Nonprofits (other than research)
 - Research Entities (Univ/NP)
- November 2000 - CFO Council Grants Management Committee Meet to present mission and milestone dates

Beyond November 1999...

- January 2001 - Federal Register publishes proposed Interim/Draft plan of Action to Implement PL106-107 for public comment
- March 19, 2001 - Deadline for public comment
- May 20, 2001 - Federal Agencies submit implementation plan to OMB

Post-Award Workgroup Cost Principles - An Update

- **Objectives**
- **Advantages**
- **The Issues**
- **Progress Report**



OMB Grant Circulars



\$ 300 billion

- Cost principles
 - A-21 Colleges & Universities
 - A-87 Governments
 - A-122 Non-Profits
- Administrative Requirements
 - A-102 Governments
 - A-110 Everyone else
- Audit Requirements
 - A-133 Everyone

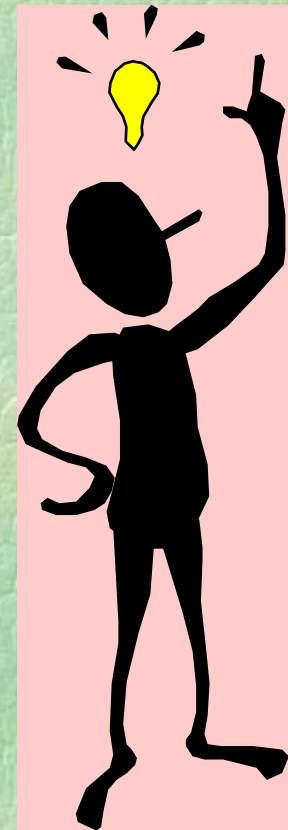
Cost Circular Consistency

- **Objectives - Simplification**
 - Consistent treatment of costs
 - Uniform interpretation of cost policies
 - Update of new cost items
- **Not Objectives**
 - Add new restrictions
 - Modify current policies

P.L. 106-107

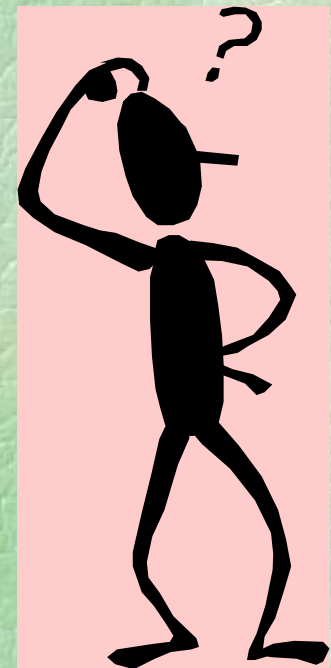
Cost Circular Consistency

- Advantages
 - ! Add consistency to cost principles
 - ! Simplify interpretations of cost principles
 - ! Simplify relations between grantees
 - ! Update of cost treatment in all circulars



Current Three Cost Circulars

- 16 General Sections, 76 cost items
- 25 cost items in one Circular
- 18 cost items in two Circulars
- 30 cost items in three Circulars
 - 2 with identical languages
 - 13 with different treatments
 - 15 with same treatment but different descriptions



Examples of Distinctive rules

- A-21 (Universities)
 - ! Civic Defense Costs
 - ! Sabbatical leave costs
 - ! Fixed rates throughout the project life
- A-87 (State and Local governments)
 - ! Accounting
 - ! Budgeting
 - ! Council costs
- A-122 (Non-Profits)
 - ! Bid and proposals costs
 - ! Interest costs
 - ! Meetings and conferences



Progress Report

- 15 Cost items in all three Circulars with same treatment but different descriptions:
 - ! Advertising/Public Relations
 - ! Bad Debts
 - ! Communications Cost
 - ! Contingency Provisions
 - ! Fund Raising & Investment Management Costs
 - ! Insurance & Indemnification Costs
 - ! Losses on Other Sponsored Agreements or Contracts
 - ! Maintenance & Repair
 - ! Membership, Subscriptions, & Professional Activity Cost
 - ! Pre-Agreement (or Pre-Award) Cost
 - ! Professional Services
 - ! Rearrangement & Alterations
 - ! - Reconversion Cost
 - ! - Rental Cost
 - ! - Travel Cost

Progress Report

- 13 Cost items in all 3 Circulars w/ different treatment:
 - ! Compensation for Personal Services
 - ! Contributions & Donations
 - ! Defense and Prosecution of Criminal & Civil Proceedings, Claims, Appeals & Patent Infringement
 - ! Depreciation & Use Allowances
 - ! Employee Moral, Health, Welfare Costs & Credits
 - ! Equipment & Other Capital Expenditures
 - ! Fines & Penalties
 - ! Gains & Losses on Depreciable Assets & Relocation of Federal Programs
 - ! Interest
 - ! Lobbying
 - ! Material & Supplies
 - ! Profit & Losses on Disposition of Plant Equip./Other Capital Assets
 - ! Taxes

Progress Report

- Cost items in A-21 and A-122 Circulars:
 - Goods or Services for Personal Use
 - Housing and Personal Living Expenses
 - Labor Relations Costs
 - Patent Costs
 - Plant Security Costs
 - Recruiting Costs
 - Royalties and other costs for use of patents/copyrights
 - Selling and Marketing costs
 - Severance Pay
 - Specialized Service Facilities
 - Transportation costs
 - Trustees

Progress Report

- Cost items in A-122 and A-87 Circulars:
 - Bonding Costs
 - Idle Facilities
 - Training & Education Costs

Progress Report

- Cost items only in A-21:
 - Alumni/ae Activities
 - Civil Defense
 - Deans of Faculty and Graduate Schools
 - Executive Lobbying
 - Sabbatical Leave
 - Scholarships and Student Aid costs
 - Student Activities
 - Commencement/Convocation costs

Progress Report

- Cost items only in A-122
 - Meetings & Conferences - IR&D (reserved)
 - Organization Costs - Fringe Benefits
 - Overtime, extra pay shift/multi shift premium - B&P (reserved)
 - Page Charges in professional journals
 - Participant Support costs
 - Publication and printing costs
 - Relocation costs
 - Termination costs

Progress Report

- Cost items only in A-87:
 - Accounting Costs
 - Advisory Counsel
 - Audit Services
 - Automated Electronic Data Processing
 - Budgeting
 - Disbursing Services
 - General Government expenses
 - Motor Pools