

# Federal Regulations Updates

Semi-Annual Networking Event  
June 2018

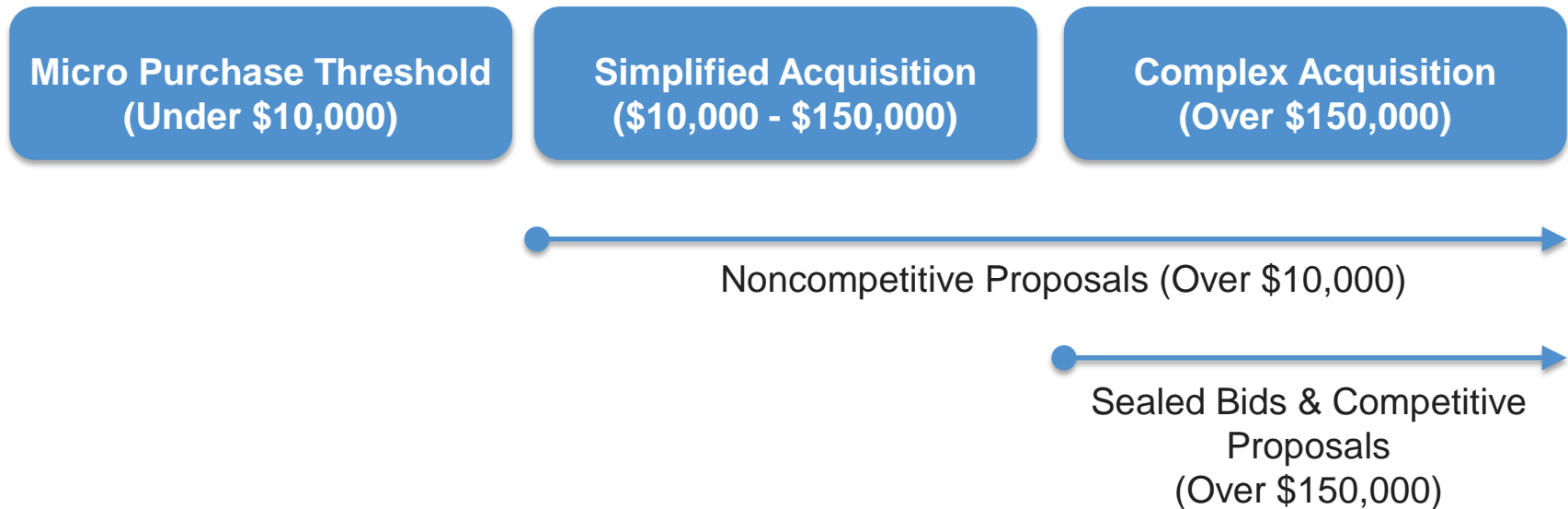
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# Agenda

- i. Uniform Guidance Standards for Procurement
- ii. Appointments for Stipends and Salaries
- iii. Questions

# Uniform Guidance Standards for Procurement

# Uniform Guidance Standards for Procurement



# Micro Purchase Threshold

Micro-purchases may be awarded without soliciting competitive quotations if the price is considered reasonable. The standard also requires that purchases be distributed equally among qualified suppliers to the extent practical.

# Simplified Acquisition

Simple and informal procurements for services, supplies, or other property that are above the micro-purchase amount. Grantees are required to receive quotations from an adequate number of sources.

# Noncompetitive Proposals

This method, also called a 'no-bid' contract or sole-source procurement, applies in very specific situations that eliminates the need for competition in your solicitation process. Noncompetitive proposals apply (practically) to any procurement above the micro-purchase threshold and are used when there is adequate “justification for other than full and open competition.” This can occur when one or more of the following criteria are met:

- the good/service is only available from a single source,
- the grantee needs to meet a public exigency or emergency,
- the Federal awarding agency has provided prior authorization, or
- after soliciting a number of sources, the grantee determines there is inadequate competition

# Sealed Bids

The government's preferred procurement method for construction (when certain conditions apply), and for goods/services where price will be the main consideration for selecting the winning bidder. If sealed bids are used, the guidance outlines five explicit requirements to follow including:

- bids must be solicited from an adequate number of known suppliers and provide sufficient time to respond;
- the invitation for bids must be publicly advertised and define the items or services in order for the bidder to properly respond;
- bids must be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
- a firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder; and
- any or all bids may be rejected if there is a sound documented reason

# Competitive Proposals

This method is typically used when there are critical factors to consider beyond just price. Both fixed-price or cost-reimbursement type contracts can be used, and certain general requirements must be followed including:

- requests for Proposals (RFPs) must be publicized;
- all evaluation factors must be identified in the RFP along with their relative importance;
- proposals must be solicited from an adequate number of qualified sources (again – it's up to the grantee to define "adequate");
- there must be a written method for conducting technical evaluations of the proposals received and for selecting recipients; and
- contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered



# Recommendations to Ensure UG Compliance

- Overall goal: increase re-use of existing equipment and supplies, increase competition when purchasing equipment and supplies, and minimize sole sources. Policy, procedure, websites, and all related forms will be updated accordingly
- Purchases must be reasonable, allocable, and allowable
- **Multiple bids must be solicited by departments and schools for purchases over \$10,000 when sponsored funds are being used, unless the product/service is purchased from a Preferred Vendor**
  - **A Bid Documentation Form or Sole Source Form must be attached to the requisition. A cost transfer for equipment and purchases over \$10,000 from non-sponsored to sponsored chart strings must also have the 3 bids or Sole Source Form attached**
- Current policy of requiring bids for purchases over \$25,000 will stay in place when non-sponsored funds are used
- Procurement and Payment Services will continue to be the final approver for ALL requisitions over \$25,000
- ASRSP currently approves transactions above \$2,500 for sponsored programs. ASRSP approval will increase to transactions above \$5,000 for sponsored programs, effective with the new standards on 9/1/18
- Bids will need to be solicited by Procurement and Payment Services for purchases of \$150,000 or more when sponsored dollars are being used
- Checklists are being developed to guide departments/schools on review process - effective date 9/1/18

# Appointments for Stipends and Salaries

# NIH Policy Statement Definitions

## Stipends

Allowable as cost-of-living allowances for trainees and fellows only under Kirschstein-NRSA individual fellowships and institutional research training grants. **A stipend is not a fee-for-service payment and is not subject to the cost accounting requirements of the cost principles. Stipends are not allowable under research grants even when they appear to benefit the research project.** These payments are made according to a pre-established schedule based on the individual's experience and level of training.

**Northwestern Example: Fellowship Stipends using expense account code 78050**

## Salaries and Wages

Allowable. Compensation for personal services covers all amounts, including fringe benefits, paid currently or accrued by the organization for employee services rendered to the grant-supported project. Compensation costs are allowable to the extent that they are reasonable, conform to the established policy of the organization consistently applied regardless of the source of funds, and reasonably reflect the percentage of time actually devoted to the NIH-funded project. **Northwestern Example: Research Assistant using expense account code 60076**

# Supplementation of Stipends, Compensation, and Other Income

## Compensation

"Funds characterized as compensation may be paid to fellows only when **there is an employer-employee relationship, the payments are for services rendered...**".

The relationship must be limited in time spent performing duties, in that such additional duties related to the compensation do not interfere with the trainee's main activities.

## Stipend Supplementation

Kirschstein-NRSA fellows receive stipends to defray living expenses. Stipends may be supplemented by an institution from **non-Federal funds provided this supplementation is without any additional obligation to the fellow. Federal funds may not be used for stipend supplementation unless specifically authorized under the terms of the program from which funds are derived.** "Recipients of Kirschstein-NRSA individual fellowships are not considered to be in an employee-employer relationship with NIH or the sponsoring institution solely as a result of the Kirschstein-NRSA award."

# Stipend and Salary Appointments and Charging Sponsored Projects

## Fellowship Appointment (account code 78050)

- Student is funded directly on a training grant or federal funds that stipulate stipend payments, e.g. NIH NRSA funding
- Student is funded via a matching/cost share quarter related to a training grant or federal NRSA fellowship
- Student is not required to perform service, work, or contribute effort towards a research grant/project

## Research Assistant (account code 60076)

- Student is funded directly on a research project. i.e. Grant, cooperative agreement or contract, not on NIH NRSA funding
- Student is performing service (working) on research specifically supported by the funding source

# Stipend and Salary Appointments and Charging Sponsored Projects

## Example - Salary to Stipend:

Post doc is working on a research grant thru May 31, 2018. He is to start on a training grant on June 1, 2018. The appointment must remain a salary position through May 31, then be carefully updated to a stipend appointment before June payroll is finalized and posted. Timeliness is the key. Failing to make the appointment update may disallow the charge on the training grant and a department non-sponsored chart string may be responsible for the cost.

## Example - Stipend to Salary:

Post doc is on a fellowship that ends May 31, 2018, and her faculty mentor wants her to work on a research grant. The appointment & funding must be carefully updated from a stipend appointment / expense account code to a salary appointment / expense account code in time for the June payroll to post correctly on the research grant.

# Helpful Links

- NIH Policy Notices:  
<http://grants.nih.gov/policy/notices.htm>
- NIH Grants Policy Statement: Ruth L. Kirschstein Institutional Research Training Grants – Section 11.3:  
[http://grants.nih.gov/grants/policy/nihgps/HTML5/section\\_11/11.3\\_institutional\\_research\\_training\\_grants.htm](http://grants.nih.gov/grants/policy/nihgps/HTML5/section_11/11.3_institutional_research_training_grants.htm)
- Allowable and Unallowable Costs -Section 11.3.8:  
[http://grants.nih.gov/grants/policy/nihgps/HTML5/section\\_11/11.3\\_institutional\\_research\\_training\\_grants.htm#Allowabl](http://grants.nih.gov/grants/policy/nihgps/HTML5/section_11/11.3_institutional_research_training_grants.htm#Allowabl)
- NRSA program information:  
<https://researchtraining.nih.gov/programs/training-grants>
- myHR (formerly Faculty and Staff information Systems - FASIS) Procedures - Post Doc, Student & Research Appointments  
<https://www.northwestern.edu/hr/managers-administrators/myhr-administration/documentation/process-guides/Appts-Postdoctoral-Student-ResearchVisitor.pdf>

Thank You