

Uniform Guidance – Changes to federal award administration

The Office of Management and Budget (OMB) has combined eight circulars into one document, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance, or [2 CFR 200](#)), effective December 26, 2014. Uniform guidance supersedes OMB Circulars A-21, A-110, and A-133, which universities were previously subject to.

The following are highlights of changes in the new Uniform Guidance:

<p>Pre-award/Proposal Stage</p> <p>(see sections 200.202 & 200.203)</p>	<p>Uniform Guidance (UG) now provides standards across agencies for posting public notice of funding opportunities at least 30 to 60 calendar days before proposal due date.</p>
<p>Administrative/Clerical Salaries</p> <p>(see sections 200.413 & 200.430)</p>	<p>Previously unallowable under any circumstances. Under UG, these salaries may be charged directly to a federal award if <u>all</u> of the following criteria are met:</p> <ul style="list-style-type: none"> ▪ Administrative or clerical services are <i>integral to the project</i> ▪ Individuals can be <i>specifically identified</i> with the project ▪ Such costs are <i>explicitly included in the budget</i> or have <i>prior written approval</i> from the agency ▪ The costs are <i>not recovered as indirect costs</i>.
<p>Computing Devices (under \$5,000 unit cost)</p> <p>(see sections 200.33, 200.48, 200.89, 200.439, & 200.453C)</p>	<p>Previously had to be solely dedicated to the project. Under UG, computing devices under \$5,000/unit may be charged directly to a federal award under the following circumstances:</p> <ul style="list-style-type: none"> ▪ The device is <i>essential and allocable</i> to the project (i.e., necessary to acquire, store, analyze, process, and publish data or other information electronically), but does not necessarily have to be solely dedicated. This includes accessories or peripherals for printing, transmitting/receiving, or storing electronic information. ▪ The <i>project does not have reasonable access to other devices</i> or equipment that can achieve the same purpose – devices cannot be purchased for convenience or preference. ▪ <i>Supporting documentation</i> can be provided demonstrating why the device is essential and allocable. <p>Devices costing more than \$5,000 per unit are categorized as equipment and are subject to guidance regarding equipment as such.</p>
<p>Participant Support Costs</p> <p>(see sections 200.75 & 200.456)</p>	<p>Participant support costs are now allowable under UG, including stipends, subsistence/travel allowances, and registration fees paid on behalf of participants or trainees (but not employees) for conferences and training projects <i>with agency prior approval</i> (explicitly listed in the proposal or approved in writing post-award). Participant support costs are not routinely allowed on research projects, but can be if the project includes an education or outreach programmatic component. Human subject costs are not considered participant support costs.</p> <p>Participant support costs should be excluded from MTDC base for indirect cost calculations. Prior approval is required to re-budget these funds.</p>

<p>Subawards (see sections 200.330, 200.331, & 200.332)</p>	<p>UG has established clear distinctions between subawards/subrecipients and contractors/vendors. Determination of this relationship must be standard and documented.</p> <p>Increased scrutiny and monitoring of subrecipients is included in the UG, including initial and ongoing <i>risk assessment</i> of all subrecipients.</p> <p>Fixed price subawards up to the Simplified Acquisition Threshold (currently \$150K) may be allowable under UG, subject to agency prior approval and acceptable justification/compliance with University policy.</p> <p>The new guidance allows for a 10% de minimis indirect cost rate for subrecipients that do not have a federally negotiated indirect cost rate.</p>
<p>Cost share (see section 200.306)</p>	<p>According to the new guidance, cost share will only be evaluated when included as a requirement for eligibility. Voluntary cost sharing (not required by the sponsor) will not be a consideration in merit review.</p> <p>Mandatory cost sharing may include unrecovered indirect costs with prior agency approval.</p>
<p>Visa Costs (see section 200.463)</p>	<p>Costs associated with short-term visas may be proposed and charged if the individual's skills are critical and necessary for the project and the costs are consistent with University policy.</p>
<p>PI Disengagement (see section 200.308)</p>	<p>Uniform Guidance requires prior approval from the federal awarding agency for a change in scope of work or key person identified in the grant proposal.</p> <p>Prior approval will also be required if a PI disengages from the project for more than three months or reduces committed effort by 25% or more.</p>
<p>Internal Controls (see section 200.303)</p>	<p>Internal controls have always been expected for grant compliance and administration; however, Uniform Guidance emphasizes the importance of strong, <i>documented</i> internal controls.</p>
<p>Procurement (see sections 200.317-200.326)</p>	<p>Implementation of guidance for procurement has been postponed one year. Once in effect, stricter requirements for sole-source purchases costing \$3,000 or more (previously \$5,000), increased documentation, and internal procedures will be necessary.</p>
<p>Reporting (see sections 200.301, 200.327, & 200.328)</p>	<p>Financial reporting may be tied more closely to progress reporting, and provisions in UG reference providing cost information to demonstrate cost effective practices.</p>

Links to related information:

<https://www.rsp.wisc.edu/UG/index.html>

<https://cfo.gov/cofar/>

http://www.whitehouse.gov/sites/default/files/omb/financial/grant_reform/proposed-omb-uniform-guidance-for-federal-financial-assistance.pdf

http://www.whitehouse.gov/omb/grants_docs

<http://www.ucop.edu/research-policy-analysis-coordination/files/NCURA-Uniform-Guidance.pdf>

Uniform Guidance Highlights – UW Stevens Point 01/05/2015