

The New Federal Uniform Guidance – Major changes affecting proposal budgets, subawards and charging of direct costs

The Office of Management and Budget (OMB) published a new Uniform Guidance (UG) for the management of Federal awards on December 26, 2013. Known as 2 CFR 200, these new regulations became effective December 26, 2014 and the key changes that impact the proposing and management of Federal award at UMMS are summarized below:

Area Changed	Previous Requirements	UG Requirements
Charging Administrative & Clerical Salaries 200.413 200.430	Allowable for grants designated as “major projects”	Clarifies that the salaries of administrative and clerical staff should be treated as indirect costs. However, provides specific conditions that must be met to direct charge to a grant: <ul style="list-style-type: none"> Services are integral to a project or activity Individuals are specifically identified with the project Costs are explicitly included in proposed budget or have prior written approval from Federal Agency Costs are not also recovered as indirect costs
Charging of computing devices (under \$5,000 unit cost) 200.453	Device must be solely dedicated to a specific award – not used for other purposes	Computing devices under \$5,000 per unit may be directly charged to the project in the following circumstances: <ul style="list-style-type: none"> Device is essential* and allocable to the project in that they are necessary to acquire, store, analyze, process and publish data electronically including accessories for printing, transmitting information. Incidental use for other activities permitted – so no longer required to be solely dedicated The project does not have reasonable access to other devices or equipment that could accomplish the same purpose. Devices may not be purchased for reasons of convenience or preference. Items costing more than \$5,000 should be treated as equipment <p>* PI’s responsible for determining whether the device is essential. Departments should maintain documentation that describes how the device meets the above requirements</p>
PI Absences – Disengagement 200.308	Prior approval required for absences of more than 3 months (Agency notification required for sabbaticals regardless of continuing work on project)	The UG recognizes that PI’s can be away from campus and remain engaged in the project so requires prior approval from Federal agencies for the following reasons: <ul style="list-style-type: none"> Change in scope or objective of the project or change in key person identified in the application <u>Disengagement</u> for the project for more than 3 months or a 25% reduction in committed time

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Fixed Price Subawards 200.332	Silent	With prior approval, Fixed price subawards up to \$150,000 are permissible
Indirect costs on Subawards 200.331	No de minimis rate for Subrecipients without a negotiated Indirect Cost Rate	Clarifies that if a subrecipient does not already have a negotiated Indirect cost rate, it may apply a de minimus 10% rate.
Cost Sharing 200.306	Did not explicitly prohibit voluntary cost sharing in merit review	States that voluntary committed cost sharing is neither expected nor considered during merit review of a proposal. Federal agencies must require mandatory cost sharing or not consider it at all.
Visa Costs 200.463D	Silent	Short term travel visa costs can be included in proposal budgets and charged as direct costs if: <ul style="list-style-type: none"> • Skills are critical and necessary to the project • Allowable by the agency Expedited processing fees and long term visa costs (ex “J” and “H1B” visa’s) are not allowable as direct charges
Procurement 200.317-326	Silent	New Requirements for sole-source purchases and documentation of competition based on purchase price <ul style="list-style-type: none"> • No documentation for micro-purchases <\$3,000 • Evidence of 2 quotes for purchases \$3,000-\$150,000 • Additional requirements for larger dollar thresholds NOTE: OMB is granting a 1 year grace period to comply with these standards effective date is December 26, 2015
Closeout 200.343	Financial closeout reports to be submitted no later than 90 days after the end date of the performance period. This has not been enforced consistently	Stricter enforcement is part of the UG whereby all federal financial reports must be submitted and drawdowns requested, by day 90 after a project’s end date. Agencies are transitioning to an approach where they immediately shut off the draw, permanently, at day 90. Reconciling and reporting early will ensure that we draw down funds accurately and on a timely basis.