Major Changes in the Uniform Guidance Related to Proposal Development, Subawards, and Direct Costs

The United States Office of Management and Budget has compiled a number of federal circulars on grants management policies and guidelines into one government-wide document, the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (*Uniform Guidance 2 or CFR 200*). *These new regulations became effective on December 26, 2014.*

CLERICAL/ADMINISTRATIVE STAFF-DIRECT CHARGING
 	
Applicable Uniform Guidance section: 200.413
	Clerical and administrative salaries are allowable as a direct charge to a federal award if <u>ALL</u> of the following are met:
	• Activity must be integral to the project or activity;
	• Individuals involved must be specifically identified with the project or activity;
	• Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency;
	• The costs are not also recovered as indirect costs.
	
	The <u>budget justification</u> should explain how anticipated direct charging of clerical/administrative employees is integral to the project.
	
	Note that costs incurred for the same purpose in like circumstances must be treated consistently as a direct cost on similar activities. In other words, the salaries of administrative and clerical staff proposed must still meet the definition of a direct cost defined in the Uniform Guidance. Cost identification must be direct and specific. Cost allocations of administrative and clerical staff of a general or arbitrary nature are not allowable and should never be proposed to an awarding agency.
	
	Examples of responsibilities <u>integral to a project</u> may include the following.
	• Managing numerous clinical sites (it might be helpful to detail the general location of the sites and if any are international)
	• Collection of IRB approval documentation for our site as well as all sites involved
	• Monitoring of site progress and preparing documentation for PI to authorize payments
	• Consolidation/aggregation of results for preparation and submission of progress reports
	• Coordination of conference calls, taking of call/meeting minutes
	• Performing database administration activities on large amounts of data required on a project
	• Conducting project-related surveys and other significant data gathering related activities
	• Significant project dedicated case file management and administration
	
	Examples of responsibilities typically identified as <u>indirect cost</u>:
	  • Pre-award project proposal preparation activity
	  • Accounting for and monitoring of project expenditures
	  • Preparation of personnel reports required for interim reporting
	  • Purchasing activities
	  • Information technology hardware and software support
	  • General management support

	Notes:
	Although the Uniform Guidance does not specifically identify types of awards/responsibilities that might include the need for direct charging of clerical/administrative salaries, the types of responsibilities previously included under OMB Circular A21 may still be relevant. Refer to specific agency and program announcements for additional information.
COST SHARING Applicable Uniform Guidance section: 200.306	The wording in use of federal funds for matching has been modified but the intent has not changed. It now reads matching cannot be "paid by the Federal government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements." Cost sharing or matching is not considered by the sponsor in making an award unless the requirement is included in the notice of funding opportunity. • Mandatory or voluntary committed cost sharing (VCCS) is not expected unless it is included in the notice of funding opportunity. • If required, VCCS must be verifiable, necessary, reasonable and allowable. The following should be considered for a cost included as cost sharing: - can only be used once (cost sharing for only one award) - cannot be paid by the federal government under another federal award unless provided by federal statute - must be included in the proposed budget when required by the notice of funding opportunity - use of unrecovered F&A must have prior sponsor approval - use of third party in-kind contributions must be documented and to the extent feasible supported by the same methods used internally by the organization
F&A RATE Applicable Uniform Guidance sections: 200.331 200.412 200.413 200.414	• The non-Federal entities' negotiated F&A rate must be provided by the sponsor unless an exception is required by statute or regulation. • The rate application is relevant to prime awards and well as subawards. • A common exception is the use of an 8% F&A rate for training awards. • 10% indirect cost rate (MTDC base) is allowable for entities that do not have a negotiated rate. This can be applied to the subrecipient costs where the subrecipient does not have a negotiated rate.
PUBLICATION COSTS Applicable Uniform Guidance section: 200.461	• Journal page charges are an allowable cost to the research when they report work on the sponsored award and will clear the account prior to close out.

SUBAWARDS Applicable Uniform Guidance section: 200.414	• 10% indirect cost rate (MTDC base) allowable for entities that do not have a negotiated rate

A summary of the National Science Foundation Proposal and Award Policies and Procedures Guide (PAPPG) changes related to the Uniform Guidance are available at
http://www.nsf.gov/pubs/policydocs/pappguide/nsf15001/sigchanges.jsp.

As information becomes available from the University and federal sponsors, additional information will be added to this reference summary. The most current version of this reference guide will be located on the Office of Research http://www.research.pitt.edu/reference-resources and the Controller's Office http://www.cfo.pitt.edu/omb_uniform_guidance/index.html *websites.*