

Analysis of federal Uniform Guidance

Ver. 1 – March 2015

The following is a selection of key text from the federal Uniform Guidance, with accompanying analysis from the EVPRI's Uniform Guidance Implementation Workgroup. The analysis is a summary of the discussion within the Implementation Workgroup in combination with other non-Federal government partners, including the Council on Governmental Relations (COGR) and the National Council of University Research Administrators (NCURA).

Text in this document may have been abbreviated for conciseness. Links back to the full, online text of the Uniform Guidance have been provided. To browse the full Uniform Guidance document 2 CFR 200, please follow [this link](#) to the eCFR website.

Language excerpt from 2 CFR 200 "Uniform Guidance"	Analysis
<p><u>§200.301 Performance measurement.</u></p> <p>The Federal awarding agency must require the recipient to use OMB-approved standard information collections when providing financial and performance information. As appropriate and in accordance with above mentioned information collections, the Federal awarding agency must require the recipient to relate financial data to performance accomplishments of the Federal award. Also, in accordance with above mentioned standard information collections, and when applicable, recipients must also provide cost information to demonstrate cost effective practices (e.g., through unit cost data). The recipient's performance should be measured in a way that will help the Federal awarding agency and other non-Federal entities to improve program outcomes, share lessons learned, and spread the adoption of promising practices. The Federal awarding agency should provide recipients with clear performance goals, indicators, and milestones as described in §200.210 Information contained in a Federal award. Performance reporting frequency and content should be established to not only allow the Federal awarding agency to understand the recipient progress but also to facilitate identification of promising practices among recipients and build the evidence upon which the Federal awarding agency's program and performance decisions are made.</p>	<p>This subsection of guidance informs us that sponsors must require their recipients to report based on performance or achievement, using a standardized method of information collection.</p> <p>The expectation of the Federal government is that project activity is being conducted in the most cost-effective way possible. We may expect that as Federal agencies upgrade their reporting standards to meet this regulation, PIs may have to provide additional narrative to cross-reference their performance with their expense activity.</p>
<p><u>§200.305 Payment.</u></p> <p>...</p> <p>(b) For non-Federal entities other than states, payments methods must <u>minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means.</u> See also §200.302 Financial management paragraph (b)(6). Except as noted elsewhere in this part, Federal agencies must require recipients to use only OMB-approved standard governmentwide information collection requests to request payment.</p>	<p>The majority of all Federal awards received by the University are based on cost-reimbursement, i.e., we must bill the Sponsor for costs incurred. The cost-reimbursement method would flow-down to any established subawards.</p>

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<p>...</p> <p>(3) Reimbursement is the preferred method when the requirements in paragraph (b) cannot be met, when the Federal awarding agency sets a specific condition per §200.207 Specific conditions, or when the non-Federal entity requests payment by reimbursement. This method may be used on any Federal award for construction, or if the major portion of the construction project is accomplished through private market financing or Federal loans, and the Federal award constitutes a minor portion of the project. <u>When the reimbursement method is used, the Federal awarding agency or pass-through entity must make payment within 30 calendar days after receipt of the billing, unless the Federal awarding agency or pass-through entity reasonably believes the request to be improper.</u></p>	<p>Based on the terms of this guidance, the University is responsible for making sure subaward invoices are paid within 30 days of receipt of billing unless the PI has significant concerns about the appropriateness of the invoice.</p>
<p><u>§200.306 Cost sharing or matching.</u></p> <p>(a) <u>Under Federal research proposals, voluntary committed cost sharing is not expected. It cannot be used as a factor during the merit review of applications or proposals,</u> but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity. Criteria for considering voluntary committed cost sharing and any other program policy factors that may be used to determine who may receive a Federal award must be explicitly described in the notice of funding opportunity.</p>	<p>As proposal budgets are developed, PIs should not reflect any voluntary committed cost share unless the grant opportunity announcement specifically allows or mandates such cost-sharing. Voluntary committed cost-sharing will not be a factor in the merit review of any proposal.</p> <p>As a related point, limitations on funding salary based on salary cap restrictions is not considered voluntary committed cost sharing, and therefore should be appropriately reflected in proposal budgets.</p>
<p><u>§200.308 Revision of budget and program plans.</u></p> <p>(a) The approved budget for the Federal award summarizes the financial aspects of the project or program as approved during the Federal award process. It may include either the Federal and non-Federal share (see §200.43 Federal share) or only the Federal share, depending upon Federal awarding agency requirements. It must be related to performance for program evaluation purposes whenever appropriate.</p> <p>(b) <u>Recipients are required to report deviations from budget or project scope or objective, and request prior approvals from Federal awarding agencies for budget and program plan revisions, in accordance with this section.</u></p> <p>(c) For non-construction Federal awards, recipients must request prior approvals from Federal awarding agencies for one or more of the following program or budget-related reasons:</p> <p>(1) Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).</p> <p>(2) Change in a key person specified in the application or the</p>	<p>This section of guidance outlines administrative circumstances for which the University, as the award recipient, must request prior approval from the Sponsoring agency. These requests should be coordinated through your central administration Grants Management Specialist or Contract Specialist, and must be requested and approved prior to the change being made.</p>

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<p>Federal award.</p> <p>(3) The disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.</p> <p>(4) The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with Subpart E—Cost Principles of this part or 45 CFR part 75 Appendix IX, "Principles for Determining Costs Applicable to Research and Development under Awards and Contracts with Hospitals," or 48 CFR part 31, "Contract Cost Principles and Procedures," as applicable.</p> <p>(5) The transfer of funds budgeted for participant support costs as defined in §200.75 Participant support costs to other categories of expense.</p> <p>(6) Unless described in the application and funded in the approved Federal awards, the subawarding, transferring or contracting out of any work under a Federal award, including fixed amount subawards as described in §200.332 Fixed amount subawards. This provision does not apply to the acquisition of supplies, material, equipment or general support services.</p> <p>(7) Changes in the approved cost-sharing or matching provided by the non-Federal entity. No other prior approval requirements for specific items may be imposed unless an exception has been approved by OMB. See also §200.102 Exceptions and 200.407 Prior written approval (prior approval).</p> <p>(8) The need arises for additional Federal funds to complete the project.</p> <p>(d) Except for requirements listed in paragraph (c)(1) of this section, the Federal awarding agency is authorized, at its option, to waive prior written approvals required by paragraph (c) this section. Such waivers may include authorizing recipients to do any one or more of the following:</p> <p>(1) Incur project costs 90 calendar days before the Federal awarding agency makes the Federal award. Expenses more than 90 calendar days pre-award require prior approval of the Federal awarding agency. All costs incurred before the Federal awarding agency makes the Federal award are at the recipient's risk (i.e., the Federal awarding agency is under no obligation to reimburse such costs if for any reason the recipient does not receive a Federal award or if the Federal award is less than anticipated and inadequate to cover such costs). See also §200.458 Pre-award costs.</p> <p>(2) Initiate a one-time extension of the period of performance by up to 12 months unless one or more of the conditions outlined in paragraphs (d)(2)(i) through (iii) of this section apply. For one-time extensions, the recipient must notify the Federal awarding agency in writing with the supporting reasons and revised period of performance at least 10 calendar days before the end of the period of performance specified in the Federal award. This one-time extension may not be exercised merely for the purpose of using unobligated balances. Extensions require explicit prior Federal awarding agency approval</p>	<p>The Sponsoring agency <u>may</u> choose to waive the requirement for prior approval in the identified circumstances. This information is often clarified in the terms and conditions of the award and should be confirmed with your central administration Grants Management Specialist or Contract Specialist before any actions are taken.</p>

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<p>when:</p> <p>(i) The terms and conditions of the Federal award prohibit the extension.</p> <p>(ii) The extension requires additional Federal funds.</p> <p>(iii) The extension involves any change in the approved objectives or scope of the project.</p> <p>(3) Carry forward unobligated balances to subsequent periods of performance.</p> <p>(4) For Federal awards that support research, unless the Federal awarding agency provides otherwise in the Federal award or in the Federal awarding agency's regulations, the prior approval requirements described in paragraph (d) are automatically waived (i.e., recipients need not obtain such prior approvals) unless one of the conditions included in paragraph (d)(2) applies.</p> <p>(e) The Federal awarding agency may, at its option, restrict the transfer of funds among direct cost categories or programs, functions and activities for Federal awards in which the Federal share of the project exceeds the Simplified Acquisition Threshold and the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget as last approved by the Federal awarding agency. The Federal awarding agency cannot permit a transfer that would cause any Federal appropriation to be used for purposes other than those consistent with the appropriation.</p> <p>(f) All other changes to non-construction budgets, except for the changes described in paragraph (c) of this section, do not require prior approval (see also §200.407 Prior written approval (prior approval)).</p> <p>...</p> <p>(h) When requesting approval for budget revisions, the recipient must use the same format for budget information that was used in the application, unless the Federal awarding agency indicates a letter of request suffices.</p> <p>(i) Within 30 calendar days from the date of receipt of the request for budget revisions, the Federal awarding agency must review the request and notify the recipient whether the budget revisions have been approved. If the revision is still under consideration at the end of 30 calendar days, the Federal awarding agency must inform the recipient in writing of the date when the recipient may expect the decision.</p>	<p>The Sponsoring agency has 30 days to review and respond to the recipient's requests regarding administrative or financial changes.</p>
<p><u>§200.318 General procurement standards.</u></p> <p>(c)(1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. <u>No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest.</u> Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an</p>	<p>Analysis from Council on Governmental Relations indicates that the intention of Conflict of Interest guidance is primarily for purchasing and procurement relationships. Procurement relationships would not only include standard purchasing processes, but also contracts. With increased emphasis and capabilities</p>

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<p>organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.</p> <p>(2) If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. <u>Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.</u></p>	<p>at University of Louisville for faculty to initiate and develop start-up companies, there is a greater potential for faculty to find themselves with a conflict of interest regarding their federal awards and their companies.</p> <p>Faculty should be sure to work closely with the Conflicts of Interest program staff to make sure these relationships are vetted. Identified conflicts would have to be reported to the Federal sponsor, and would be handled in accordance to that agency’s policy.</p>
<p><u>§200.319 Competition.</u></p> <p>(a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. <u>In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements.</u> Some of the situations considered to be restrictive of competition include but are not limited to:</p> <p>(1) Placing unreasonable requirements on firms in order for them to qualify to do business;</p> <p>(2) Requiring unnecessary experience and excessive bonding;</p> <p>(3) <u>Noncompetitive pricing practices between firms or between affiliated companies;</u></p> <p>(4) Noncompetitive contracts to consultants that are on retainer contracts;</p> <p>(5) <u>Organizational conflicts of interest;</u></p> <p>(6) <u>Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement;</u> and</p> <p>(7) Any arbitrary action in the procurement process.</p>	<p>This section provides guidance on maximizing consistent, cost-effective practices in purchasing and procurement. This guidance outlines several unallowable practices relating to full and open competition in the procurement process.</p> <p>The expectation is that our purchasing and procurement decisions are made in an unbiased way. The guidance makes us responsible for ensuring that decisions regarding procurement relationships and individual contracts are conducted in an open, competitive manner.</p> <p>NOTE: As with 200.330, the implementation date of this guidance is deferred until FY2017.</p>
<p><u>§200.320 Methods of procurement to be followed.</u></p> <p>The non-Federal entity must use one of the following methods of procurement.</p> <p>(a) Procurement by micro-purchases. <u>Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar</u></p>	<p>The Federal government has identified standardized methods of purchasing and procurement to meet their expectation of cost-effectiveness and fair, open competition.</p>

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<p>amount of which does not exceed the micro-purchase threshold (\$200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.</p> <p>(b) Procurement by small purchase procedures. <u>Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold.</u> If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.</p> <p>(c) Procurement by sealed bids (formal advertising). <u>Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price.</u> The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.</p> <p>...</p> <p>(d) <u>Procurement by competitive proposals.</u> The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:</p> <p>...</p> <p>(e) [Reserved]</p> <p>(f) Procurement by noncompetitive proposals. <u>Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:</u></p> <p>(1) The item is available only from a single source;</p> <p>(2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;</p> <p>(3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or</p> <p>(4) After solicitation of a number of sources, competition is determined inadequate.</p>	<p>To acknowledge the ongoing discussion, institutions have been given one full fiscal year grace period in which to review and update their procurement practices. For University of Louisville, compliant procedures regarding purchases on Federal awards must be implemented by FY2017.</p> <p>Further communication about this guidance and its implementation at the University of Louisville will be provided as administrative offices work together to finalize practices that will keep us compliant with Federal requirements.</p>
<p><u>\$200.330 Subrecipient and contractor determinations.</u></p> <p>The non-Federal entity may concurrently receive Federal awards as a recipient, a subrecipient, and a contractor, depending on the substance of its agreements with Federal awarding agencies and pass-through entities. Therefore, a pass-through entity must make case-by-case determinations whether each agreement it makes for the</p>	<p>The Federal government expects that our institution will be vetting each relationship with an outside party in order to determine their role as a subrecipient or a contractor based on a</p>

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<p>disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. The Federal awarding agency may supply and require recipients to comply with additional guidance to support these determinations provided such guidance does not conflict with this section.</p> <p>(a) <i>Subrecipients.</i> A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. See §200.92 Subaward. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:</p> <ul style="list-style-type: none"> (1) Determines who is eligible to receive what Federal assistance; (2) Has its performance measured in relation to whether objectives of a Federal program were met; (3) Has responsibility for programmatic decision making; (4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and (5) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity. <p>(b) <i>Contractors.</i> A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. See §200.22 Contract. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the non-Federal entity receiving the Federal funds:</p> <ul style="list-style-type: none"> (1) Provides the goods and services within normal business operations; (2) Provides similar goods or services to many different purchasers; (3) Normally operates in a competitive environment; (4) Provides goods or services that are ancillary to the operation of the Federal program; and (5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons. <p>(c) <i>Use of judgment in making determination.</i> In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.</p>	<p>consistent set of standards.</p> <p>While it is acknowledged that each determination must involve a judgment call by the institution, it is also expected that we have a standard by which these determinations are made.</p> <p>The Federal government has outlined the qualitative differences of these two relationships, and acknowledges that each sponsor agency may provide additional guidance for determination.</p> <p>The Office of Sponsored Programs Administration at the University of Louisville has developed a "Subaward / Contractor Determination Checklist" which can be used by Departments, administrators, and GMS/CS to help make this determination. This determination process must be completed during the proposal stage of the award, as the application requirements for subrecipients differ from those of contractors.</p> <p>The GMS or CS will be responsible for completing this checklist and including this documentation in the proposal file, but may need Departmental assistance to appropriately understand the proposed relationship.</p>

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<p><u>§200.331 Requirements for pass-through entities.</u></p> <p>All pass-through entities must:</p> <p>(a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward....</p> <p>(b) <u>Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring ...</u></p> <p>(c) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in §200.207 Specific conditions.</p> <p>(d) <u>Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.</u> Pass-through entity monitoring of the subrecipient must include:</p> <p>(1) Reviewing financial and performance reports required by the pass-through entity....</p>	<p>A goal of the Uniform Guidance reform is to reduce the administrative burden from the Federal government in the administration of its awards. The responsibility to maintain administrative standards resides heavily on the recipient institutions particularly in situations involving subawards.</p> <p>This guidance outlines very specifically the level of oversight that the University must provide on subawards we issue. We must collect specific information from the subrecipient to ensure they are compliant with Federal regulations, and we must monitor the subaward by the review of regular financial and programmatic reports.</p> <p>In addition, this guidance outlines the standards that the University must meet in order to be compliant on subawards received by outside entities.</p>
<p><u>§200.332 Fixed amount subawards.</u></p> <p>With prior written approval from the Federal awarding agency, a pass-through entity may provide subawards based on fixed amounts up to the Simplified Acquisition Threshold, provided that the subawards meet the requirements for fixed amount awards in §200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts.</p> <p><u>§200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts.</u></p> <p>...</p> <p>(b) <u>Fixed Amount Awards.</u> In addition to the options described in paragraph (a) of this section, Federal awarding agencies, or pass-through entities as permitted in §200.332 Fixed amount subawards, may use fixed amount awards (see §200.45 Fixed amount awards) to which the following conditions apply:</p> <p>(1) The Federal award amount is negotiated using the cost principles (or other pricing information) as a guide. <u>The Federal awarding agency or pass-through entity may use fixed amount awards if the project scope is specific and if adequate cost, historical, or unit pricing data is available to establish a fixed amount award based on a reasonable estimate of actual cost. Payments are based on meeting specific requirements of the Federal award. Accountability is based on</u></p>	<p>The majority of the federal awards received by the University are issued as cost-reimbursable awards. Under this model, costs are incurred by the institution and then billed back to the Sponsor for payment.</p> <p>Uniform Guidance outlines an alternative method of awarding funds to subrecipients through a Fixed Amount award. Fixed Amount awards are only established under very specific circumstances where costs can be reasonably estimated by unit price.</p> <p>This guidance informs us that in certain situations, it may be allowable to issue a Fixed Price subaward. If the project scope is specific and there is strong, established unit pricing data, a Fixed Price subaward could be established.</p> <p>Prior written approval from the sponsor</p>

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<p>performance and results. Except in the case of termination before completion of the Federal award, there is no governmental review of the actual costs incurred by the non-Federal entity in performance of the award. Some of the ways in which the Federal award may be paid include, but are not limited to:</p> <p>(i) In several partial payments, the amount of each agreed upon in advance, and the “milestone” or event triggering the payment also agreed upon in advance, and set forth in the Federal award;</p> <p>(ii) On a unit price basis, for a defined unit (or units), at a defined price or prices, agreed to in advance of performance of the Federal award and set forth in the Federal award; or,</p> <p>(iii) In one payment at Federal award completion.</p> <p>(2) <u>A fixed amount award cannot be used in programs which require mandatory cost sharing or match.</u></p> <p>(3) <u>The non-Federal entity must certify in writing to the Federal awarding agency or pass-through entity at the end of the Federal award that the project or activity was completed or the level of effort was expended.</u> If the required level of activity or effort was not carried out, the amount of the Federal award must be adjusted.</p> <p>(4) Periodic reports may be established for each Federal award.</p> <p>(5) Changes in principal investigator, project leader, project partner, or scope of effort must receive the prior written approval of the Federal awarding agency or pass-through entity.</p>	<p>must be obtained prior to any such agreement being issued, and the amount of the subaward may not exceed the Simplified Acquisition Threshold of \$150,000.</p>
<p><u>\$200.335 Methods for collection, transmission and storage of information.</u></p> <p>In accordance with the May 2013 Executive Order on Making Open and Machine Readable the New Default for Government Information, the <u>Federal awarding agency and the non-Federal entity should, whenever practicable, collect, transmit, and store Federal award-related information in open and machine readable formats rather than in closed formats or on paper.</u> The Federal awarding agency or pass-through entity must always provide or accept paper versions of Federal award-related information to and from the non-Federal entity upon request. If paper copies are submitted, the Federal awarding agency or pass-through entity must not require more than an original and two copies. <u>When original records are electronic and cannot be altered, there is no need to create and retain paper copies.</u> When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided that they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable.</p>	<p>This guidance explicitly encourages award documentation to be exchanged in electronic formats and discourages paper transactions in the award management process.</p> <p>The guidance also allows for greater options of digital award management and file keeping. Provided the file format is in an open and machine readable format (e.g., PDF), and unable to be altered, records and award-related documents can be maintained digitally.</p> <p>Digital award management practices have the potential to increase efficiency in award administration and may alleviate burdens on space resources as hard-copy file management is reduced.</p>

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<p><u>§200.343 Closeout.</u></p> <p>The Federal awarding agency or pass-through entity will close-out the Federal award when it determines that <u>all applicable administrative actions and all required work of the Federal award have been completed by the non-Federal entity.</u> This section specifies the actions the non-Federal entity and Federal awarding agency or pass-through entity must take to complete this process at the end of the period of performance.</p> <p>(a) <u>The non-Federal entity must submit, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award.</u> The Federal awarding agency or pass-through entity may approve extensions when requested by the non-Federal entity.</p> <p>(b) Unless the Federal awarding agency or pass-through entity authorizes an extension, <u>a non-Federal entity must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance</u> as specified in the terms and conditions of the Federal award.</p> <p>(c) <u>The Federal awarding agency or pass-through entity must make prompt payments to the non-Federal entity for allowable reimbursable costs</u> under the Federal award being closed out.</p> <p>(d) The non-Federal entity must promptly refund any balances of unobligated cash that the Federal awarding agency or pass-through entity paid in advance or paid and that are not authorized to be retained by the non-Federal entity for use in other projects. See OMB Circular A-129 and see §200.345 Collection of amounts due, for requirements regarding unreturned amounts that become delinquent debts.</p> <p>(e) Consistent with the terms and conditions of the Federal award, the Federal awarding agency or pass-through entity must make a settlement for any upward or downward adjustments to the Federal share of costs after closeout reports are received.</p> <p>(f) The non-Federal entity must account for any real and personal property acquired with Federal funds or received from the Federal government in accordance with §§200.310 Insurance coverage through 200.316 Property trust relationship and 200.329 Reporting on real property.</p> <p>(g) <u>The Federal awarding agency or pass-through entity should complete all closeout actions for Federal awards no later than one year after receipt and acceptance of all required final reports.</u></p>	<p>The Federal government is tightening requirements for final award closeout practices.</p> <ul style="list-style-type: none"> • All final reports, including <u>financial and performance</u> reports, must be filed by 90 days after the end date of the award. • All financial obligations must be liquidated by 90 days after the end date of the award (all bills must be paid). • All unobligated balances must be promptly resolved between the sponsor and the recipient. • All closeout actions have to be completed no later than 1 year after final reports are accepted. <p>This guidance places significant emphasis on timely and accurate award closeout. Through discussion with the Office of Management and Budget, the Council on Governmental Relations is negotiating a potential modification of reporting deadlines to 120 days, rather than 90 days.</p> <p>To maintain institutional compliance with Federal regulations, PIs, and Office of Sponsored Programs Administration must file all close-out reports with the sponsor in a timely manner.</p>
<p><u>§200.407 Prior written approval (prior approval).</u></p> <p>Under any given Federal award, the reasonableness and allocability of certain items of costs may be difficult to determine. In order to avoid subsequent disallowance or dispute based on unreasonableness or nonallocability, <u>the non-Federal entity may seek the prior written approval of the cognizant agency for indirect costs or the Federal awarding agency in advance of the incurrence of special or unusual costs. Prior written approval should include the timeframe or</u></p>	<p>This section of Uniform Guidance concisely summarizes those conditions for which prior written approval from the sponsor may be necessary in order to ensure that the specific activity is considered reasonable and allowable on the award.</p>

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<p><u>scope of the agreement</u>. The absence of prior written approval on any element of cost will not, in itself, affect the reasonableness or allocability of that element, unless prior approval is specifically required for allowability as described under certain circumstances in the following sections of this part:</p> <ul style="list-style-type: none"> (a) §200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts, paragraph (b)(5); (b) §200.306 Cost sharing or matching; (c) §200.307 Program income; (d) §200.308 Revision of budget and program plans; (e) §200.311 Real property; (f) §200.313 Equipment; (g) §200.332 Fixed amount subawards; (h) §200.413 Direct costs, paragraph (c); (i) §200.430 Compensation—personal services, paragraph (h); (j) §200.431 Compensation—fringe benefits; (k) §200.438 Entertainment costs; (l) §200.439 Equipment and other capital expenditures; (m) §200.440 Exchange rates; (n) §200.441 Fines, penalties, damages and other settlements; (o) §200.442 Fund raising and investment management costs; (p) §200.445 Goods or services for personal use; (q) §200.447 Insurance and indemnification; (r) §200.454 Memberships, subscriptions, and professional activity costs, paragraph (c); (s) §200.455 Organization costs; (t) §200.456 Participant support costs; (u) §200.458 Pre-award costs; (v) §200.462 Rearrangement and reconversion costs; (w) §200.467 Selling and marketing costs; (x) §200.470 Taxes (including Value Added Tax); and (y) §200.474 Travel costs. 	<p>Refer to the individual subsections listed for parts (a) through (y) to review applicability of prior approval. In some situations, the Federal agency (sponsor) has the option to waive the requirement for prior written approval. The terms and conditions of each award and the policies and procedures of each agency should be reviewed to determine if prior written approval is required.</p> <p>Before the PI initiates any activity which requires prior approval, please work with the Office of Sponsored Programs Administration or Clinical Contracting Division to coordinate any requests to the Federal agency.</p> <p>It is important to remember that budgetary requests included in the proposal may not necessarily meet the requirement of prior approval.</p>

Language excerpt from 2 CFR 200 "Uniform Guidance"	Analysis
<p><u>§200.413 Direct costs.</u></p> <p>...</p> <p>(c) The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. <u>Direct charging of these costs may be appropriate only if all of the following conditions are met:</u></p> <p>(1) <u>Administrative or clerical services are integral to a project or activity;</u></p> <p>(2) <u>Individuals involved can be specifically identified with the project or activity;</u></p> <p>(3) <u>Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and</u></p> <p>(4) <u>The costs are not also recovered as indirect costs.</u></p>	<p>This is a change of regulations, where previously administrative and clerical support was limited as an indirect expense. This new Guidance defines specific situations where these costs may be requested as a direct cost. As per section §200.407 Prior written approval (prior approval), these costs must be approved in advance by the sponsor.</p> <p>If it is determined that the administrative and clerical services are essential, vital, or fundamental to the project or activity, the PI must explicitly indicate within the proposal budget justification (1) how the administrative and clerical costs meet the direct cost criteria, (2) why these costs are integral to the project, and (3) include the following statement at the end: Based on the justification provided, the University of Louisville is requesting agency approval for support of [List % time here] of a [List position title here] as an administrative cost allowed under 2 CFR 200.413.</p> <p>If a proposal is submitted with the required justification, and the subsequent award notice issued by the Federal agency does not explicitly delete the cost, the administrative and clerical costs will be considered approved.</p> <p>If new or additional (over 25% of the amount previously approved) administrative or clerical support is necessary during the course of the award, the PI must write a request to the Office of Sponsored Programs Administration or Clinical Contracting Division requesting approval to direct charge prospective (not retroactive) administrative or clerical costs. The request should (1) outline the percent of effort required, the time period needed, and estimated salary and fringe costs; and (2) explain how the services being requested are integral to the project. The OSPA or CCD will then coordinate this request with the Federal agency.</p>

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<p><u>§200.414 Indirect (F&A) costs.</u></p> <p>...</p> <p>(f) In addition to the procedures outlined in the appendices in paragraph (e) of this section, <u>any non-Federal entity that has never received a negotiated indirect cost rate, except for those non-Federal entities described in Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals, paragraph D.1.b, may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely.</u> As described in §200.403 Factors affecting allowability of costs, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. <u>If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do at any time...</u></p>	<p>If a Federal opportunity has a published a statutory F&A cap, this rate must be used for both U of L and any subrecipients.</p> <p>For all other Federal opportunities, subrecipients would budget F&A based on their federally-negotiated rate agreement.</p> <p>However, if a proposed subrecipient doesn’t have a negotiated rate agreement, they may request F&A at a 10% de minimis rate without further negotiation.</p> <p>Since UofL has a negotiated rate agreement, the established F&A rate must be used when we are proposed as a subrecipient.</p>
<p><u>§200.415 Required certifications.</u></p> <p>Required certifications include:</p> <p>(a) To assure that expenditures are proper and in accordance with the terms and conditions of the Federal award and approved project budgets, <u>the annual and final fiscal reports or vouchers requesting payment under the agreements must include a certification, signed by an official who is authorized to legally bind the non-Federal entity, which reads as follows: “By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).”</u></p>	<p>Federal guidance is now very specific about who is authorized to sign financial reports or payment voucher requests (invoices) on behalf of the institution. Only individuals who are duly authorized to legally bind the University can sign these documents. This includes subaward invoices <u>to</u> a pass-through entity.</p> <p>Departments should not file financial reports, payment voucher requests, or subaward invoices without the prior review and authorized signature of a Sponsored Programs Financial Administration official.</p>
<p><u>§200.20 Computing devices.</u></p> <p><i>Computing devices</i> means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information...</p> <p><u>§200.453 Materials and supplies costs, including costs of computing devices.</u></p> <p>(a) Costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award are allowable.</p> <p>(b) Purchased materials and supplies must be charged at their actual prices, net of applicable credits. Withdrawals from general stores</p>	<p>This is also a change of regulations regarding allowable costs on Federal awards. Previously, computing devices were only allowable if prior written approval was provided and the device was exclusively dedicated to the needs of the award on which it was purchased.</p> <p>With this new Guidance, computing devices may be charged as a direct cost to the award but do not have to be dedicated solely to the respective award.</p>

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<p>or stockrooms must be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. Incoming transportation charges are a proper part of materials and supplies costs.</p> <p>(c) Materials and supplies used for the performance of a Federal award may be charged as direct costs. <u>In the specific case of computing devices, charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award.</u></p> <p>(d) Where federally-donated or furnished materials are used in performing the Federal award, such materials will be used without charge.</p>	<p>However, the expense must still be allocable, and PIs are expected to allocate the expense to all applicable funding sources.</p> <p>In the event that the Principal Investigator does not have access to other devices or equipment that achieves the same purpose, they may now request computing devices as a direct expense in a proposal budget. The device however must be justified as “essential” to the performance of the award. The PI is responsible for documenting how the device(s) is “essential” and to what extent the cost of the device is allocable to the sponsored project. Purchases must be reasonable, and devices may not be purchased for reasons of convenience or preference.</p> <p>This documentation must be maintained on file by the PI. If at any point in time, a device purchase is found to be unallowable, an unrestricted source will be required to cover the cost.</p> <p>The PI or his/her designee must coordinate with Asset Management to ensure all purchased devices are registered and tagged as federally-funded University property. If the unit cost is over \$5,000, then capital equipment purchasing rules and procedures apply. As is the case with capital equipment, there will be a restriction on purchasing computing devices on a federal award within 90 days of the end of the project period.</p>
<p><u>§200.456 Participant support costs.</u></p> <p>Participant support costs as defined in §200.75 Participant support costs are allowable with the prior approval of the Federal awarding agency.</p> <p><u>§200.75 Participant support costs.</u></p> <p><i>Participant support costs</i> means direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or <u>on behalf of participants or trainees (but not employees) in connection with conferences, or training projects.</u></p>	<p>The language regarding the allowability of Participant Support Costs is new. These costs can be reflected in proposal budgets, and based on new Modified Total Direct Cost (MTDC) definitions. These costs are considered exempt from F&A.</p> <p>It is important that PIs define these costs very clearly in their proposal budgets to ensure they are following the federal definition of Participant Support as</p>

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<p><u>§200.68 Modified Total Direct Cost (MTDC).</u></p> <p><i>MTDC</i> means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). <u>MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000...</u></p>	<p>defined in §200.75.</p>
<p><u>§200.461 Publication and printing costs.</u></p> <p>(a) Publication costs for electronic and print media, including distribution, promotion, and general handling are allowable. If these costs are not identifiable with a particular cost objective, they should be allocated as indirect costs to all benefiting activities of the non-Federal entity.</p> <p>(b) Page charges for professional journal publications are allowable where:</p> <p>(1) The publications report work supported by the Federal government; and</p> <p>(2) The charges are levied impartially on all items published by the journal, whether or not under a Federal award.</p> <p>(3) <u>The non-Federal entity may charge the Federal award before closeout for the costs of publication or sharing of research results if the costs are not incurred during the period of performance of the Federal award.</u></p>	<p>Guidance now states that costs for professional publications may be paid from the Federal award even if the cost is incurred <u>after</u> the end date of the project. However, the expense must be processed <u>before</u> the required award closeout (see §200.343).</p> <p>This Guidance provides flexibility for PIs to cover the costs of publication expenses on Federal awards.</p>
<p><u>§200.463 Recruiting costs.</u></p> <p>...</p> <p>(d) Short-term, travel visa costs (as opposed to longer-term, immigration visas) are generally allowable expenses that may be proposed as a direct cost. <u>Since short-term visas are issued for a specific period and purpose, they can be clearly identified as directly connected to work performed on a Federal award.</u> For these costs to be directly charged to a Federal award, they must:</p> <p>(1) Be critical and necessary for the conduct of the project;</p> <p>(2) Be allowable under the applicable cost principles;</p> <p>(3) Be consistent with the non-Federal entity's cost accounting practices and non-Federal entity policy; and</p> <p>(4) Meet the definition of "direct cost" as described in the applicable cost principles.</p>	<p>Uniform Guidance states that costs for short-term visas may be charged as a direct cost to the award.</p> <p>A short-term visa would be for a covered individual who is not pursuing immigration or employment. The visa would be for a specific duration and the covered individual's contributions must be clearly identified and necessary for the conduct of the project.</p>
<p><u>§200.474 Travel costs.</u></p> <p>...</p> <p>(b) Lodging and subsistence. Costs incurred by employees and</p>	<p>This Guidance specifies that <u>documentation</u> must justify that an individual's travel had a direct benefit to the project.</p>

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<p>officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the non-Federal entity in its regular operations as the result of the non-Federal entity's written travel policy. In addition, if these costs are charged directly to the Federal award <u>documentation must justify that:</u></p> <p><u>(1) Participation of the individual is necessary to the Federal award; and</u></p> <p><u>(2) The costs are reasonable and consistent with non-Federal entity's established travel policy.</u></p>	<p>For travel costs charged directly to a Federal award, the individual/traveler will need to submit additional documentation with their travel expense voucher which demonstrates that the travel was necessary and had a direct benefit to the Federal award. Examples of such documentation may include letters of invitation to meetings, copies of posters, abstracts or other presentations, If this documentation is not provided with the travel expense voucher, the travel may be found unallowable and the expense will have to be moved to an unrestricted source.</p>