

Uniform Guidance Quick Reference

Ver 2 – January 2015

The Uniform Guidance Implementation Workgroup has identified the following key guidance which reflects some of the significant changes in regulations which will impact federally-funded awards at the University of Louisville.

Effective/applicability date
Supersession

2 CFR 200.110
2 CFR 200.104

The Office of Management and Budget (OMB) has combined various federal circulars, including A-21, A-110 and A-133 into a single guidance document (known as the Uniform Guidance or 2 CFR 200) that will apply to all Federal agencies and institutes of higher education effective December 26, 2014.

Impact: All new federal awards issued on or after 12/26/2014 will be governed by terms and conditions subject to the Uniform Guidance. Effective immediately, proposals to Federal sponsors should be developed in accordance with the Uniform Guidance. Incremental funding actions on existing awards *may* be made with modified award terms and conditions subject to the Uniform Guidance at the discretion of the Federal agency. Please contact the Office of Sponsored Programs Administration if you have any questions about the regulations that apply to your Federal award.

Cost sharing

2 CFR 200.306

Cost sharing or matching is the portion of project costs not paid by Federal funds. Under the new regulations of the Uniform Guidance, voluntary cost sharing is not expected and it cannot be used as a factor during merit review of proposals unless it is required by the notice of funding opportunity.

Impact: Voluntary cost sharing has been used in some situations to make a proposal appear less expensive and therefore more competitive to a Federal agency. Under the new rules, Federal agencies cannot consider voluntary cost sharing during the review process and therefore, unless specified for in the funding opportunity announcement, investigators are discouraged from including voluntary cost sharing in proposals for Federal awards.

Subrecipient Monitoring and Management
Subrecipient and contractor determinations

2 CFR 200.330

A pass-through entity must make case by case determinations when establishing agreements using Federal funds as to whether the recipient party should be classified as a subrecipient or a contractor. A subaward is provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award. A contract is for the purposes of purchasing goods or services needed to carry out the project or program under a Federal award. 2 CFR 200.330 provides guidance to assist Investigators and administrators in making these determinations.

Impact: The Office of Sponsored Programs Administration has developed a Subaward/Contractor Determination checklist to help Investigators determine if the third party they plan to engage should be a subrecipient (subaward) or a contractor. If you plan to work with a third party, please contact your Grants Management Specialist for guidance so that these relationships are appropriately referenced in your proposal and documented at time of award.

Subrecipient Monitoring and Management Requirements for pass-through entities

2 CFR 200.331

The Uniform Guidance requires that UofL strengthen its oversight of subrecipient organizations. §200.331 outlines the information and documentation that a pass-through entity must collect in order to evaluate risk and to ensure subrecipients are fully compliant with Federal regulations and sponsor requirements. This includes, but is not limited to, soliciting audit (A-133) reports, certification of debarment status, confirmation of appropriate indirect cost rates, and confirmation of compliance with Conflict of Interest requirements.

Impact: The Office of Sponsored Programs Administration has developed a new “[Subrecipient Commitment Form](#)” that requires a subrecipient organization to disclose the information listed above. This “Subrecipient Commitment Form” will need to be completed by the subrecipient organization and will replace the subrecipient Letter of Intent in the proposal submission process. As this form may require additional time for the subrecipient to complete, investigators should submit these forms to the subrecipient organization early in the proposal development process.

When UofL is solicited to participate as a subrecipient on a proposal, investigators may receive similar forms from their collaborators. Please send these to your Grants Management Specialist as soon as possible for completion.

Additionally, §200.331 requires the pass-through entity (UofL) to monitor the activities of the subrecipient over the life of the project, including reviewing all required performance reports and financial reports (including invoices). Investigators are responsible for reviewing and approving all invoices and for reviewing all progress reports for their subawardees.

Subrecipient Monitoring and Management Indirect Cost Rates

2 CFR 200.331 and 2 CFR 200.414

§200.331 requires that UofL recognize and use a subrecipient’s federally approved indirect (F&A) cost rate or an alternative rate as described below for all subawards included in competitive proposals.

Impact: If a Federal opportunity has an announced statutory F&A cap, that rate must be used by both UofL and any subrecipients. For other Federal opportunities, subrecipients should budget F&A based on their federally-negotiated rate agreement. If a proposed subrecipient does not have a federally negotiated rate agreement, a 10% de minimus F&A rate must be used instead.

Since UofL has a federally negotiated rate agreement, the established F&A rate must be used when we are proposed as a subrecipient on an outside project.

Charging Administrative and Clerical Staff Salary Costs

2 CFR 200.413

“The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if ALL of the following conditions are met:

- (1) Administrative or clerical services are *integral* to a project or activity;
- (2) Individuals involved can be specifically identified with the project or activity;
- (3) Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
- (4) The costs are not also recovered as indirect costs.”

Impact: If it is determined that administrative and clerical services are essential, vital, or fundamental to the project or activity, the Principal Investigator must (1) explicitly indicate within the proposal budget justification how the administrative and clerical services are integral to the project and (2) include the following statement at the end of the justification: **Based upon this justification, the University of Louisville is requesting agency approval for support of [List % time here] [List position title here] as an**

administrative cost allowed under 2 CFR 200.413.

If a proposal is submitted with the required statement/justification outlined above, and the subsequent Notice of Grant Award issued by the Federal agency does not explicitly disallow the administrative cost, the administrative and clerical costs will be considered approved.

If new or additional (over 25% of the amount previously approved) administrative or clerical support is needed during the life of the award, the PI must submit a letter of request to the Office of Sponsored Programs Administration 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 the estimated salary and fringe costs and (2) explain how the services being requested are integral to the project. OSPA will then coordinate this request with the Federal agency.

Institutional Signatories and Financial Billing

2 CFR 200.415

§200.415 specifically states that fiscal reports or vouchers requesting payment must contain specific certification language and can only be signed by an institutional official who is authorized to legally bind the University.

Impact: All financial reporting or payment requests on Federally-funded awards (including invoicing pass-through entities on subawards) must go through the Office of Sponsored Programs Administration (finance) for review and signature prior to submission.

Computing Devices (Under \$5,000 Unit Cost)

2 CFR 200.453

§200.453(c) states “Materials and supplies used for the performance of a Federal award may be charged as direct costs. In the specific case of computing devices, charging as a direct cost is allowable for devices that are essential and allocable, but not solely dedicated to the performance of the Federal award.”

Impact: Computing devices under \$5,000/unit may be direct charged to a project or activity under the following circumstances:

- The devices are essential* and allocable to the project in that they are necessary 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.
- The PI does not have access to other devices or equipment that can achieve the same purpose; devices may not be purchased for reasons of convenience or preference.
- Items costing more than \$5,000 per unit are considered equipment and follow federal equipment rules for when they can be charged as a direct expense.
- As is the case with capitalized equipment, there will be a restriction on purchasing computing devices within the last 90 days of an award.

* PIs are responsible for documenting how the device is “essential” and to what extent the cost of the device is reasonable and allocable to the sponsored project. PIs and departments must maintain documentation that describes how the computing device meets the above requirements. If a purchased device is later determined to be an unallowable cost the expense will have to be moved to an appropriate unrestricted source.

The PI and the Department are responsible for any purchased computing devices and must ensure they are appropriately held and managed as federally-funded University property.

Participant Support Costs

2 CFR 200.456

With the implementation of the Uniform Guidance, participant support costs are allowable with agency prior approval. Participant support costs include stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects.

Participant support costs are explicitly excluded in the calculation of *Modified Total Direct Costs* (as defined in §200.68) and are considered exempt from F&A.

Impact: Participant support costs are not routinely allowed on research projects but can be charged if the agency approves of such costs in advance. Participant support costs should be explicitly listed in the proposal budget or approved by the funding agency after the award has been made. After an award is made, investigators should work with the Office of Sponsored Programs Administration to obtain agency prior approval for participant support costs.

Travel Costs

2 CFR 200.474

§200.474 (b) requires that “if travel costs are charged directly to the Federal award documentation must justify that: (1) Participation of the individual is necessary to the Federal award; and (2) The costs are reasonable and consistent with the non-Federal entity’s established travel policy.”

Impact: In order to comply with these regulations, documentation of the necessity of the travel to the Federal award is required for any travel expense that is charged to a Federal award (e.g. an NIH grant). Examples of documentation that may appropriately justify necessity of travel include, but are not limited to, agendas or programs for meetings where the Federal award is discussed or copies of abstracts, posters or other presentations wherein the results of the Federal award are disseminated. Such documentation should be submitted along with other required backup travel documentation with the Travel Expense Voucher. If documentation of the necessity of travel to the Federal award is not provided, the travel may be deemed unallowable on the Federal award and the expense may have to be transferred to an appropriate unrestricted source. The UofL Travel Policy will be updated to include these new requirements.

Further Resources

A full PDF text version of the final 2 CFR 200 Uniform Guidance is available online published under the [Federal Register](#). Online text may also be found at the [Electronic Code of Federal Regulations](#).

Links to source material may be found on the [Uniform Guidance page](#) of the University of Louisville Research Site.

Contact

If you have any questions regarding the Uniform Guidance Quick Reference, please contact the Uniform Guidance Implementation Workgroup at uniform.guidance@louisville.edu