



## UNIFORM GUIDANCE IMPLEMENTATION GUIDE

### Changes Affecting Proposal Budgets and Direct Costs on Federally-Funded Projects

The Office of Management and Budget (OMB) has combined many federal circulars into a single guidance document, **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (known as the Uniform Guidance), located at 2 CFR 200. These new regulations became effective December 26, 2014.

This Guide highlights select changes in the Uniform Guidance that the Principal Investigator (PI) should consider, in conjunction with the Funding Opportunity Announcement (FOA), as s/he prepares proposal budgets for federally-sponsored projects with project start dates of December 26, 2014 and beyond. For any questions on budget development, please contact the Sponsored Research Administrator (SRA) who handles your department.

<p><b>Administrative / Clerical Salary Costs</b></p> <p><i>Applicable Uniform Guidance (UG) Section: 200.413(c)</i></p>	<p><b>Administrative and clerical salaries (in certain circumstances) <u>may be included on competitive proposal budgets.</u></b></p> <p>In general, administrative and clerical salaries should still not be direct charged, but the rules governing “major project or activity” exceptions have been dropped and replaced by the following criteria, all of which must be met:</p> <ol style="list-style-type: none"> <li>1. Administrative or clerical services are integral to a project or activity;</li> <li>2. Individuals involved can be specifically identified with the project or activity;</li> <li>3. Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and</li> <li>4. The costs are not also recovered as indirect costs.</li> </ol> <p><u>Proposal Stage:</u> PIs/departments should add a justification statement in their proposals to facilitate the required agency approval. The detailed justification should include an explanation of why and how these services are essential for and beneficial to the performance of the project.</p> <p><u>Award Stage:</u> If the need for administrative and/or clerical salaries is determined at the award stage and was not included in the proposal budget, agency approval will be required.</p>
<p><b>Computing Devices (Under \$5,000 Unit Cost)</b></p> <p><i>Applicable UG Sections: 200.20, 200.94, 200.453(c)</i></p>	<p><b>Computing devices can be included on competitive proposal budgets.</b></p> <p>Computing devices (e.g., computers) under \$5,000/unit may be direct charged to the project or activity under the following circumstances:</p> <ul style="list-style-type: none"> <li>• The machines 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.</li> <li>• The project does not have reasonable access to other devices or equipment that can achieve the same purpose; devices may not be purchased for reasons of convenience or preference.</li> </ul> <p><u>Proposal Stage:</u> If these two requirements are met, the PI should include this information in the proposal budget justification. The detailed justification should include an explanation of why and how the device is essential for and beneficial to the performance of the project, and that no existing resources are reasonably available.</p> <p><u>Award Stage:</u> If the request for the computing devices was clearly justified in the proposal, then no further action is necessary. If the need for computing devices was not anticipated at the proposal stage, the PI will need to provide documentation that the computing device is essential and allocable to the project.</p> <ul style="list-style-type: none"> <li>• PIs are responsible for determining whether or not the device is “essential” and to what extent the cost of the device is allocable to the sponsored project. PIs and departments should maintain documentation that describes how the proposed computing device meets the above requirements.</li> </ul>

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<p><b>Equipment</b></p> <p><i>Applicable UG Sections: 200.33 200.48</i></p>	<p>Capitalized computer equipment (i.e., costing \$5,000 or more per unit) is still considered general purpose equipment and normally many not be charged as a direct cost unless approved by the awarding agency.</p>
<p><b>Participant Support Costs</b></p> <p><i>Applicable UG Sections: 200.75 200.456</i></p>	<p>Participant support costs can be included for agency approval on competitive proposal budgets. Participant support costs are allowable with agency prior approval. This includes 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 not routinely allowed on research projects but can be charged if the project includes an education or outreach component and the agency approves such costs.</p> <p><u>Proposal:</u> Include the request for participant support in the proposal budget and justification. When calculating the F&amp;A costs, exclude these costs from the Modified Total Direct Cost (MTDC) base.</p> <p><u>Award Stage:</u> If the request for participant support was included in the proposal, then a subproject will be set up to separate these funds from the other project funds. If there is a need to rebudget and move any of the participant support funds out of the category into another budget category, then prior approval from the sponsor must be received before the funds are moved. If these funds were not requested at the proposal stage, agency approval will be needed after the award has been made.</p>
<p><b>Visa Costs</b></p> <p><i>Applicable(UG Section: 200.463(d)</i></p>	<p>Short-term, travel visa costs can be included on competitive proposal budgets. Short-term travel visa costs may be allowable by the agency if they are critical and necessary to the project. These visas allow employees and students to engage in field research or attend meetings in foreign locations, or allow foreign visitors to visit USF in support of the project. Since these visas are issued for a specific period and purpose, they can be clearly identified as directly connected to work performed on a Federal award and can be directly charged.</p> <p><u>Proposal:</u> Include the request for visa costs in the proposal budget and justification.</p> <p><u>Award Stage:</u> If these costs were not anticipated at the proposal stage, a justification must be provided at the award stage to facilitate Sponsor approval.</p> <p>Long-term visa costs, such as those that enable employment at the University (for example “J” and “H1B” visas) are not allowable as direct charges.</p>
<p><b>Subawards</b></p> <p><b>Subrecipient or Contractor/Vendor Determination</b></p> <p><i>Applicable UG Sections: 200.23 200.93 200.330</i></p>	<p>For proposed subawards, the determination of Subrecipient or Contractor/Vendor must be made at the proposal stage and documented.</p> <p>The new guidance has established clear terminology for awarding subawards to subrecipients or contractors/vendors and provides criteria for making a determination.</p> <p>USF must make a determination as to whether a subawardee is a subrecipient or contractor/vendor and must document the decision.</p> <ul style="list-style-type: none"> <li>• Subrecipient: performs activities that will have a significant impact on the total project with distinct deliverables for work that is unique to the project with minimal supervision from the PI at USF.</li> <li>• Contractor: provides a service or good that is routinely provided to the general public and therefore is not unique to the project.</li> </ul> <p><u>Proposal Stage:</u> Include the request for subawards in the proposal budget and justification. The determination of whether the subawardee is a subrecipient or contractor must be made and documented. The most important element of the determination is the relationship between USF and the subawardee.</p> <p>For the proposal budget, if the subawardee is a subrecipient, USF will receive F&amp;A on the first \$25,000.00 of the subaward; any funding above the first \$25,000.00 will be excluded from the MTDC base for the life of the subaward. If the subawardee is a contractor, then USF includes the entire amount of the subaward in the MTDC base for F&amp;A calculation. <b>The F&amp;A calculation should not be a factor in the determination of the role of the subawardee.</b></p> <p><u>Award Stage:</u> If the subaward was included in the proposal budget, then the PI needs to follow the internal procedures to request a subaward. If the subawardee is a contractor, then the PI should contact the Procurement Office. If the subaward was not contemplated in the original budget, most agencies require prior approval before awarding a subaward.</p>

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<p><b>F&amp;A On Subawards</b></p> <p><i>Applicable UG Sections:</i> 200.331(4) 200.414(f)</p>	<p style="color: red;">The subrecipient's negotiated F&amp;A rate or an alternative rate as described below must be used for all subawards included in competitive proposals.</p> <p>If a federal program has a published statutory F&amp;A cap, that rate must be used both by USF and all of its subrecipients. For all other federal programs, if a subrecipient has a federally negotiated F&amp;A rate, it must be used.</p> <p>If the entity does not have a negotiated F&amp;A rate, a 10% de minimus F&amp;A rate must be used instead, or the PI/department may request that SRA negotiate an F&amp;A rate with the subrecipient. <b>PIs may not negotiate or agree to lower rates with their subrecipients.</b></p> <p>There is no change to USF's recovery of its own F&amp;A costs; this remains limited to receiving F&amp;A on the first \$25K of each subaward under federal awards.</p> <p>Note: For awards received from the State of Florida agencies, USF's indirect costs are restricted and the Total Direct Cost (TDC) base is used to calculate the F&amp;A costs allowed. When using the TDC base, all subaward costs are included in the F&amp;A calculation.</p>
<p><b>Fixed Price/Rate Subawards</b></p> <p><i>Applicable UG Section:</i> 200.332</p>	<p style="color: red;">Agency prior approval is required to enter into fixed price/rate subawards, which may not exceed \$150K.</p> <p>Agency prior approval is required to enter into a fixed price/rate subaward rather than a cost-reimbursement subaward, and the total value of each fixed price/rate subaward may not exceed \$150K.</p> <p><u>Proposal Stage:</u> To expedite agency approval, PIs/departments should add a justification statement to proposals contemplating a fixed price/rate subaward. A statement is not needed for other subawards.</p> <p><u>Award Stage:</u> If the subaward was not contemplated in the original budget, then agency approval is required prior to issuing a fixed price/rate subaward.</p>

## Other Resources

<https://obamawhitehouse.archives.gov/sites/default/files/omb/fedreg/2013/uniform-guidance-crosswalk-from-predominate-source-in-existing-guidance.pdf>

<https://obamawhitehouse.archives.gov/sites/default/files/omb/fedreg/2013/uniform-guidance-crosswalk-to-predominate-source-existing-guidance.pdf>

<https://obamawhitehouse.archives.gov/sites/default/files/omb/fedreg/2013/uniform-guidance-cost-principles-requirements-text-comparison.pdf>

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