

QUICK REFERENCE
(Volume 1, Version 4 – November 12, 2018)
**MAJOR CHANGES IN THE UNIFORM GUIDANCE AFFECTING
PROPOSAL BUDGETS AND CHARGING OF DIRECT COSTS**

The Office of Management and Budget (OMB) has combined many federal circulars into a single guidance document (known as Uniform Guidance, or 2 CFR 200) that can be used by all agencies. These new regulations became effective December 26, 2014.

<p>Charging Administrative/ Clerical And Programmatic Salary Costs</p> <p>Applicable Uniform Guidance (UG) Sections : 200.413 200.430</p>	<p>Administrative and clerical salaries (in certain circumstances) AND programmatic salary costs can be included on competitive proposal budgets.</p> <p><u>Administrative and Clerical Salaries</u> 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"> 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 cost 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. <p>If all these requirements are met, PIs/ Departments should add a new justification statement to proposals to facilitate the required agency approval.</p> <p>*UNM has determined that integral means: (1) the services are essential, vital or fundamental to the project or activity.</p> <p><u>Programmatic Salary Costs</u> Costs related to protocol development and maintenance, managing substance/ chemicals, managing and securing project-specific data, and coordination of research subjects are allowable direct cost when they are “contributing and directly related to work under an agreement”. Thus, these programmatic costs may be direct costs, and are not subjected to the extra approval requirements required of administrative and clerical costs. They are still subject to all regular costing requirements (e.g., allocability, reasonableness, allowable by terms of the award, incurred within award period)</p>
<p>Computing Devices (Under \$5,000 Unit Cost)</p> <p>Applicable UG Sections : 200.33 200.48 200.89 200.439 200.453C</p>	<p>Computing devices can be included on competitive proposal budgets.</p> <p>Computing devices under \$5,000 / unit may be direct charged to the project or activity under the following circumstances:</p> <ul style="list-style-type: none"> • The machines are <u>essential</u>* 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 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. • Items costing more than \$5,000 per unit are considered equipment and follow federal equipment rules for when they can be directed charges. <p>*PIs are responsible for determining whether or not the devise 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</p>

<p>Participant Support Cost</p> <p>Applicable UG Sections: 200.75 200.456D 200.68</p>	<p>Participant support costs can be included for agency approval on competitive proposal budgets. (Banner Account code series 46XX).</p> <p>After UG implementation, participant support costs (see 200.75) 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 included an education or outreach component and the agency approves such costs.</p> <p>These costs, which are F&A excludable, should be explicitly listed in the proposal budget or approved by the funding agency after the award has been made.</p>
<p>VISA costs</p> <p>Applicable UG Section : 200.463D</p>	<p>Short-term travel visa cost can be included on competitive proposal budgets.</p> <p>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 and can be directly charged. They must be critical and necessary (directly benefit) the project and be allowable by the agency. 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>F&A On Subawards</p> <p>Applicable UG Sections: 200.331</p>	<p>The sub recipient’s negotiated F&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&A cap, that rate must be used by UNM Main/HSC and all of its subrecipients. For all other Federal Programs, if subrecipients have a federally negotiated F&A rate, it must be used. If the entity does not have a negotiated F&A rate, a 10% de minimus F&A rate must be used instead. PIs may not negotiate or agree to lower rates with their subrecipients.</p>
<p>Fixed Price/ Rate Subawards</p> <p>Applicable UG Section: 200.332</p>	<p>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 in to 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. To expedite agency approval, PIs/ Departments should add a new Justification statement to proposals contemplating a fixed price/rate subaward. A statement is not needed for other Subawards.</p>
<p>Subaward Payment and Progress Report Monitoring 200.305 200.331</p>	<p>Subaward invoice payments must be made with 30 days.</p> <p>Monitoring of the subrecipient must include: Reviewing financial and programmatic reports as required by UNM. It is the responsibility of the PI to ensure the programmatic requirements are met prior to approving invoices.</p>
<p>Publication Costs 200.461</p>	<p>Publication costs may be direct charged before closeout, provided they have been budgeted, and if the costs are not incurred during the period of performance. These costs must be charged within 60 days of end date to meet the 90 closeout requirement.</p>
<p>Institutional Base Salary 200.430</p>	<p>Institutional compensation policies must be formally defined and documented.</p>
<p>Procurement 200.318 & 200.320</p>	<p>The Office of Management and Budget (OMB) has issued official guidance outlining changes to the Micro-Purchase (MP) and Simplified Acquisition (SA) thresholds for Financial Assistance raising the thresholds to \$10,000 and \$250,000 respectively. These changes apply to federal financial assistance awards (grants and cooperative agreements ONLY), federal contracts will still be governed by the \$3,500 MP and the \$100,000 SA limits respectively. Refer to https://www.whitehouse.gov/wp-content/uploads/2018/06/M-18-18.pdf for more information.</p>