

# Investigator Quick Guide

## Proposal Preparation under the Uniform Guidance (UG)

*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 must be used by all agencies. These new regulations will become effective December 26, 2014. This quick guide highlights select changes in the UG that you should consider in conjunction with the Funding Opportunity Announcement as you prepare proposal budgets for federal sponsors.*

### **Administrative and Clerical Salaries** - UG Section: 200.413

In general, administrative and clerical salaries are normally indirect costs and should not be direct charged. However, it may be appropriate to direct charge administrative/clerical salary if all of the following criteria are met:

1. Administrative and 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

\* Integral means: (1) essential to the project's goals and objectives, rather than necessary for the overall operation of the project or institution. The individuals involved must be specifically identified with the project or activity; AND (2) normally, a minimum of 15% FTE is budgeted in the grant's budget year.

Prior written approval of the awarding agency must be obtained. If all of these requirements are met, Investigators/departments should add a new justification statement to proposals to facilitate the required agency approval. The budget justification must include a narrative that explains how these services are integral to the project. *NOTE:* Although NIH modular grants or similar grant instruments do not require line-item justifications, the personnel, including administrative salaries, do need to be described in a modular budget's justification.

### **Programmatic Salary Costs** - UG Section: 200.430

Costs related to protocol development and maintenance, managing substances/chemicals, managing and securing project-specific data, and coordination of research subjects are allowable direct costs when they are "contributing and directly related to work under an agreement." Thus, these programmatic costs may be direct charged using the same underlying requirements as other types of direct costs, and are **not** subject to the extra approval requirements applicable to administrative and clerical costs. They are still subject to all regular costing requirements (e.g.; allocability, reasonableness, allowable by the terms of the award, incurred within award period).

### **Computing Devices** - UG Sections: 200.33, 200.48, 200.89, 200.439, 200.453C

**For awards effective 7/1/15 or later**, computing devices under \$5,000 per unit may be direct charged to the project or activity under the following circumstances: The device is essential\* and allocable to the project in that it is 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 the other devices or equipment that can achieve the same purpose; devices may not be purchased for reasons of convenience or preference. Items costing \$5,000 or more per unit are considered general purpose equipment and follow federal equipment rules for when they can be direct charged.

\*Investigators 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. Investigators and departments should maintain documentation that describes how the proposed computing device meets the above requirements. The computing devices should be listed in the budget under “materials and supplies” and are subject to Facilities and Administrative costs (F&A).

**Participant Support Costs** – UG Sections: 200.75, 200.456

Participant support costs (see 200.75) are allowable with agency prior approval. This includes stipends or subsistence 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.

These costs should be explicitly listed in the proposal budget or approved by the funding agency after the award has been made. These costs must be excluded when calculating the Modified Total Direct Costs (MTDC) to determine the project’s F&A costs.

**F&A on Subawards** - UG Section: 200.331

A subrecipient’s negotiated F&A rate or an alternative rate as described as follows **must** be used for all subawards included in competitive proposals. If a federal program has a published statutory F&A cap, that rate must be used both by UK and all of its subrecipients. For all other federal programs, if a subrecipient has a federally negotiated F&A rate, it must be used. If the entity does not have a negotiated F&A rate, a 10% MTDC de minimis F&A rate must be used instead. Investigators may not negotiate or agree to lower rates with their subrecipients.

**Fixed Amount Subawards** - UG Sections: 200.332, 200.201

Agency prior approval is required to enter into a fixed amount subaward rather than a cost-reimbursement subaward, and the total value of each fixed amount subaward may not exceed \$150K. To expedite agency approval, Investigators/departments should add a new justification statement to a proposal contemplating a fixed amount subaward which addresses why it is appropriate to use this funding mechanism (see 200.201). A statement is not needed for cost reimbursement subawards.

**Voluntary Committed Cost Sharing** - UG Section: 200.306

Under the UG, funding agencies are prohibited from considering voluntary committed cost sharing in the merit review process. The National Science Foundation specifically prohibits voluntary committed cost sharing in proposals, unless specified in the funding opportunity announcement. Since the federal agencies cannot consider voluntary committed cost sharing in assessing a proposal’s merit, offering it will not increase the likelihood of an award.

Cost sharing means project costs not borne by the sponsor; also known as matching or in-kind contributions. Voluntary committed cost sharing is cost sharing that is not required by law, statute or regulation, nor written in the application guidelines, but was offered by the investigator in the proposal. Voluntary committed cost sharing is recorded in the University’s accounting system and must be reported internally. (See also BPM E-50- 2)