



QUICK GUIDE for Proposal Budget Preparations

(November 26, 2014 – will be updated as more information becomes available)

MAJOR CHANGES IN THE UNIFORM GUIDANCE

To be considered when preparing PROPOSAL BUDGETS

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. **The information below is being made available to provide some guidance in preparing budgets for proposals that for awards that are anticipated to be issued under Uniform Guidance.** Uniform Guidance is expected to be effective for all awards issued December 26, 2014 or later. Other than NSF, individual agencies have not yet provided individual agency guidance. As those become available, the document below will be updated and further communication will be provided.

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<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 and non-competitive proposal budgets.</p> <p><u>Administrative and Clerical Salaries</u></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, <i>all of which must be met</i>:</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 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. <p>*Emory University has determined that integral means: (1) the services are essential, vital, or fundamental to the project or activity; AND (2) are currently determining a minimum FTE</p>



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that will be generally acceptable to budget unless there are documented special circumstances. For current budgeting purposes, please use this option for a minimum of 25% FTE or discuss the special circumstances with OSP for further consideration. (A formal decision regarding this will be announced in January/February after NIH's guidance is received.)

If all of these requirements are met, PIs/departments must explicitly include these costs in the proposal budget and narrative to facilitate the required agency approval. They must explain why these costs are integral. We recommend including the statement shown in bold in the below example:

*EXAMPLE: "This award includes the management of 15 subawards. This volume and the tight timeline of the project mandate more extensive monitoring than the services routinely provided by the department. A XX% time assistant is needed to oversee the subrecipients' activities, including working with the central office to perform risk assessment and subrecipient monitoring, ensuring timely delivery and review of invoices, acquiring progress reports and ensuring their review, resolving mid-project issues, monitoring compliance approvals, ensuring timely payments, and handling subaward modifications. **We are therefore requesting agency approval for a [List % time appointment here] [List position title here] as an administrative cost allowed under 2 CFR 200.413.**"*

Examples of projects that could meet the definition of "integral":

- Large, complex programs, such as Clinical and Translational Science Awards, program projects, research centers, and other grants and contracts that entail assembling and managing teams of investigators from a number of institutions.
- Projects which involve extensive data accumulation, analysis and entry, surveying, tabulation, cataloging, searching literature, and reporting (such as epidemiological studies, clinical trials, and retrospective studies of clinical records).
- Projects that require making travel and meeting arrangements for large numbers of



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participants, such as conferences and seminars.

- Projects where the principal focus is the preparation and production of manuals and large reports, books, or monographs (excluding routine progress and technical reports).
- Projects that are geographically inaccessible to normal departmental administrative services, such as research vessels, and other field research remote from campus.
- Projects requiring significant amounts of project-specific database management; individualized graphics or manuscript preparation; human or animal protocols, and multiple project-related investigator coordination and communications.

NOTE: Programmatic Salary Costs

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 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 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). **Please note that the costs of time spent on proposal preparation, departmental administration or any costs that do not directly benefit the award charged are not allowable.

AT TIME OF AWARD

- If a proposal is submitted with the required statement/justification (as shown above), and an award is subsequently issued by the federal agency without explicitly deleting the administrative cost, the NOGA will reflect approval to charge the requested cost. After award issuance, unless prohibited by the terms of the award, any post-award addition in the percentage of effort that does not exceed 25% of the amount approved by the sponsor may be incurred without additional federal approval. An addition greater than 25% must be



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requested from the federal sponsor as shown below. Reductions may be incurred without agency approval; however, PIs must recognize that this may still be questioned by auditors since the proposal indicated that such costs were necessary. PIs should be prepared to explain how the function was performed or why it was no longer needed.

- An administrative or clerical employee's time may be fully or partially charged to sponsored projects with the balance charged to non-sponsored fund sources.
 - For example, an employee's effort might be direct charged 25% time to one PI's project, 20% to another PI's project, and 55% to non-sponsored activities.
 - If any portion of the employee's time is direct-charged to a sponsored project, the employee must certify his or her effort via the effort reporting system.

AGENCY APPROVALS NEEDED DURING THE AWARD

- If new or additional (over 25% of the amount previously approved) administrative or clerical support is needed during the life of the award, PIs must write a letter to their federal program officer and/or federal grants officer (as dictated by the federal agency) requesting approval to direct charge the new/additional administrative services. These letters must be signed by the PI, be prospective (not retroactive) and include the following:
 - The percentage of effort, time period needed, and estimated cost to the project (salary, fringe benefits, and associated indirect cost)
 - An explanation from what budget category the funds will be rebudgeted
 - How the services are integral to the project

The letter must be countersigned by OGCA, who will then submit the request to the agency. PIs should allow a minimum of 30 days for an agency response. Upon receipt of an approval, OSP will issue an updated NOA*.

* In order to allow OGCA to revise the budget upon receipt of agency approval, a budget should accompany the letter request.



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COMPUTING DEVICES (UNDER \$5,000 UNIT COST)

Applicable UG Sections:

200.33

200.48

200.89

200.439

200.453C

Computing devices can be included on competitive and non-competitive proposal budgets.

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

- 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.
- 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 direct charged. (SEE 200.33, 200.48, 200.89, 200.439)

* 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.

PARTICIPANT SUPPORT COSTS

Applicable UG Sections:

200.75

200.456

Participant support costs can be included for agency approval on competitive and non-competitive proposal budgets.

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 includes an education or outreach component and the agency approves such costs.



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	<p>These costs 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 costs can be included on competitive and non-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. Typically, these visas allow employees and students to engage in field research or attend meetings in foreign locations, or allow foreign visitors to visit the University in support of the project. 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>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 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. This will mostly impact subawards for clinical trial site agreements, foreign subrecipients, and/or small businesses. 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>AT TIME OF PROPOSAL</p> <ul style="list-style-type: none"> The following justification statement should be added to competitive proposals containing subawards that are anticipated to be issued as fixed price <u>and</u> the cumulative estimated cost of the fixed price subaward is expected to be less than \$150K:



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“The subaward to [Name the subrecipient here] documented in this proposal meets the criteria described in Subpart C- 200.201(b) and the Emory University is therefore requesting prior agency approval of this Fixed Price Subaward. The University will consider this subaward approved if an award is made and no contrary guidance from the agency is included in the award notice.”

- General research collaborations are not likely to be issued as fixed price/rate. If you are uncertain about how to set up the subaward, consult your OSP analyst for guidance, or omit the statement – you will be able to do an after-award-issuance request if it is determined that a fixed price/rate subaward is needed.
- OSP will work with the department and PI at time of subaward issuance to determine whether a fixed price/rate or cost-reimbursement subaward is appropriate. This is true regardless of whether a fixed price/rate justification statement was included in the proposal.
- Consult with OSP if you have a situation where you would need multiple fixed price subawards to the same subrecipient to stay under the \$150K threshold per subaward.