



EMORY  
UNIVERSITY

Research Administration

# Administrative Guide for Uniform Guidance Changes

*Changes to Prior Requirements (A21, A110)*

*Costing Principles for Research Administrators at Emory*

**CONTENTS**

<b>Determining Whether an Award is Subject to A-21 or Uniform Guidance</b>	<b>4</b>
General application: .....	4
NIH: .....	4
NSF: .....	4
DOD: .....	4
All Other Federal Agencies: .....	4
<b>Allowability of Fixed Amount Subawards on Federally Sponsored Projects</b>	<b>5</b>
A21 and A133 Requirements: .....	5
Uniform Guidance Requirements: .....	5
Current Emory Requirements: .....	5
<b>Effort Reporting Certification Frequency</b>	<b>7</b>
A-21 Requirements: .....	7
Uniform Guidance Requirements: .....	7
Current Emory Requirements: .....	7
<b>Service Centers: Rate Calculation and Review Frequency</b>	<b>8</b>
A-21 Requirements: .....	8
Uniform Guidance Requirements: .....	8
Current Emory Requirements: .....	8
<b>Equipment Purchases and Management</b>	<b>9</b>
A-110 Requirements: .....	9
Uniform Guidance Requirements: .....	9
Current Emory Requirements: .....	9
<b>Compensation – Fringe Benefits: Accrued Leave (Vacation) Payouts</b>	<b>10</b>
A-21 Requirements: .....	10
Uniform Guidance Requirements: .....	10
Current Emory Requirements: .....	10
<b>Charging Administrative salaries to Federally Sponsored Projects</b>	<b>11</b>
A21 Requirements: .....	11
Uniform Guidance Requirements: .....	11
Current Emory Requirements: .....	11

<b>Charging Computing Devices to Federally Sponsored Projects</b>	<b>12</b>
A21 Requirements:.....	12
Uniform Guidance Requirements: .....	12
Current Emory Requirements: .....	12
<b>Charging Short-term Travel Visa costs to Federally Sponsored Projects</b>	<b>13</b>
A21 Requirements:.....	13
Uniform Guidance Requirements: .....	13
Current Emory Requirements: .....	13

## DETERMINING WHETHER AN AWARD IS SUBJECT TO A-21 OR UNIFORM GUIDANCE

### GENERAL APPLICATION:

The application of Uniform Guidance varies by sponsor. Many agencies have not provided clear guidance on how to determine if the award falls under Uniform Guidance. The current information available is listed below.

### NIH:

For NIH, any funds awarded (via continuation or amendment) on or after 12/26/14 will be subject to the requirements of Uniform Guidance. The only exception is Kirschstein-NRSA individual fellowship awards. The allowable use of funds under those awards is included in Ruth L. Kirschstein National Research Service Awards in Part II 11.2.9 in the most recent edition of the NIH Grants Policy Statement.

\*\*For Carryover Funds: If the funds are awarded on an NOGA with other new funds (after 12/26/14), all funds including the carryover will be subject to Uniform Guidance. However, if the carryover funds are obligated on a NOGA alone, they will remain subject to the guidance under which they were originally issued.

### NSF:

For NSF, any funds awarded (via any award instrument) on or after 12/26/14 will be subject to the requirements of Uniform Guidance.

### DOD:

For DOD (including ONR, ARO, CDMRP, etc), based upon the most recent information communicated by these agencies, the application of Uniform Guidance is based upon the original award date. If the original award date was prior to 12/26/14, all subsequent funding received will remain under the requirements of A21 and A110 (including subsequent amendments, etc.). Any new awards issued on or after 12/26/14 will fall under the requirements of Uniform Guidance.

### ALL OTHER FEDERAL AGENCIES:

Based upon most recent communications, the application of Uniform Guidance should be handled as noted for NSF above. Any funds awarded/obligated on or after 12/26/14 via any award instrument will be subject to the requirements of Uniform Guidance.

## ALLOWABILITY OF FIXED AMOUNT SUBAWARDS ON FEDERALLY SPONSORED PROJECTS

### A-21 AND A133 REQUIREMENTS:

Allowability of and limitations on use of Fixed Amount Subawards is not specifically addressed in OMB Circulars A21 or A133.

### UNIFORM GUIDANCE REQUIREMENTS:

Uniform Guidance indicates that with prior written approval from the Federal awarding agency, a grant recipient may provide subawards based on fixed amounts up to the Simplified Acquisition Threshold, provided that the subawards meet the requirements for fixed amount awards in §200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts.

The requirements for fixed amount awards are:

- (1) The award amount is negotiated using the cost principles (or other pricing information) as a guide. The grantee/pass-through entity may use fixed amount awards if the project scope is specific and if adequate cost, historical, or unit pricing data is available to establish a fixed amount award based on a reasonable estimate of actual cost. Payments are based on meeting specific requirements of the prime award. Accountability is based on performance and results. Except in the case of termination before completion of the award, there is no required review of the actual costs incurred by the subrecipient in performance of the award. Some of the ways in which the subaward may be paid include, but are not limited to:
  - a. In several partial payments, the amount of each agreed upon in advance, and the “milestone” or event triggering the payment also agreed upon in advance, and set forth in the award;
  - b. On a unit price basis, for a defined unit or units, at a defined price or prices, agreed to in advance of performance of the subaward and set forth in the subaward; or,
  - c. In one payment at subaward completion.
- (2) A fixed amount subaward cannot be used in programs which require mandatory cost sharing or match.
- (3) The subrecipient must certify in writing at the end of the subaward that the project or activity was completed or the level of effort was expended. If the required level of activity or effort was not carried out, the amount of the subaward must be adjusted.
- (4) Periodic reports may be established for each subaward.
- (5) Changes in principal investigator, project leader, project partner, or scope of effort must receive the prior written approval of the prime recipient.

### CURRENT EMORY REQUIREMENTS: (FOR AWARDS COVERED UNDER UNIFORM GUIDANCE – AWARDS COVERED UNDER A-21 SHOULD COMPLY WITH REQUIREMENTS AS DETAILED ABOVE)

Emory requires that sponsor policies are complied with. The first analysis must include determining if the award is subject to A21 or Uniform Guidance (please see “Topic: Applicability of Uniform Guidance”). It is expected that fixed amount subawards will be rare and more likely utilized for clinical trial site agreements, foreign subrecipients, and/or small businesses. An appropriate justification for inclusion of a fixed amount subaward must be included with the competitive proposal submission:

“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 amount subawards. OSP will work with the PI and appropriate support staff to determine the appropriate type of subaward at the time of subaward issuance, regardless of whether a fixed amount justification was included in the proposal.

## EFFORT REPORTING CERTIFICATION FREQUENCY

### A-21 REQUIREMENTS:

Although the term “effort reporting” was not used in A-21, the requirement exists that individuals whose salaries are charged in part or in full to sponsored programs must attest to how their time was spent benefitting these programs. Specifically, the effort expended on a project must at least equal the percentage of payroll dollars charged to a sponsored project during the effort period. A-21 provided several examples of “acceptable methods for payroll distribution,” one of which was the use of “after-the-fact” activity records. This is the methodology used by Emory, with the terms as follows:

- Activity reports will reflect the distribution of activity expended by employees covered by the system.
- These reports will reflect an after-the-fact reporting of the percentage distribution of activity of employees. Charges may be made initially on the basis of estimates made before the services are performed, provided that such charges are promptly adjusted if significant differences are indicated by activity records.
- Reports will reasonably reflect the activities for which employees are compensated by the institution. To confirm that the distribution of activity represents a reasonable estimate of the work performed by the employee during the period, the reports will be signed by the employee, principal investigator, or responsible official(s) using suitable means of verification that the work was performed.
- For professorial and professional staff, the reports will be prepared each academic term, but no less frequently than every six months. For other employees, unless alternate agreements are agreed to, the reports will be prepared no less frequently than monthly and will coincide with one or more pay periods.

Six months prior to the effective date of Uniform Guidance, Emory was granted permission to move non-exempt employees to quarterly certification (which would be in line with the certification frequency for exempt employees). With the roll-out of Uniform Guidance, the University was given additional flexibility which we have implemented for all employees.

### UNIFORM GUIDANCE REQUIREMENTS:

Uniform Guidance requires that “the non-Federal entity’s system of internal controls includes processes to review after-the-fact interim charges made to Federal awards based on budget estimates. All necessary adjustments must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.” The “examples” that were provided in A-21 as acceptable methods for payroll distribution have been removed from the Uniform Guidance, giving institutions more flexibility as to how they want to certify effort expended on sponsored programs.

### CURRENT EMORY REQUIREMENTS: (FOR AWARDS COVERED UNDER UNIFORM GUIDANCE – AWARDS COVERED UNDER A-21 SHOULD COMPLY WITH REQUIREMENTS AS DETAILED ABOVE)

Emory requires semi-annual certification of exempt and non-exempt employee effort certification forms. The semi-annual effort periods are: September – February and March – August. The certification of all effort forms must be completed within 90 days of the end of the effort period and the submission of related cost transfers must be completed by the earlier of (A) within 90 days of the end of the effort period or (B) within 60 days following the end of the award. This requires that all salary cost transfers are processed within this period. In the case that the final invoice and/or report is due earlier than 90 days, the salary costs will be required to be reflected on the sponsored project at an earlier date in order to allow time for final invoicing and/or reporting.

## SERVICE CENTERS: RATE CALCULATION AND REVIEW FREQUENCY

### A-21 REQUIREMENTS:

Recharge/Service centers are not specifically referred to as such in A-21, although universities typically apply the rules found in Section J47 (Specialized Service Facilities) to all of their recharge activities. The guidance on specialized service facilities is provided below:

- The costs of such services, when material, must be charged directly to applicable awards based on actual usage of the services on the basis of a schedule of rates or established methodology that:
  - Does not discriminate against federally-supported activities of the institution, including usage by the institution for internal purposes, and
  - Is designed to recover only the aggregate costs of the services.
- The costs of each service shall consist normally of both its direct costs and its allocable share of all F&A costs. Rates shall be adjusted at least biennially, and shall take into consideration over/under applied costs of the previous period(s).

Emory University has for many years required the annual review and approval of rate calculations for service centers, even when the federal guidance required a biennial review/rate adjustment. The rationale for this was that it would enforce greater compliance and accountability if it was managed every year as opposed to every other year.

In addition, we have allowed service centers to maintain a working capital surplus equivalent to 1/6<sup>th</sup> (60 days) of annual operating expenses. This is not an established requirement in any federal guidance, but it is common practice amongst universities and is acceptable to the audit community.

### UNIFORM GUIDANCE REQUIREMENTS:

Uniform Guidance has not changed the requirements associated with specialized service facilities, and by proxy, recharge/service centers. Rate adjustments are still required every other year, and charges must continue to be based on actual usage.

### CURRENT EMORY REQUIREMENTS: (FOR AWARDS COVERED UNDER UNIFORM GUIDANCE – AWARDS COVERD UNDER A-21 SHOULD COMPLY WITH REQUIREMENTS AS DETAILED ABOVE)

In order to reduce administrative burden and to align ourselves with federal guidance, Emory will now require that rates be adjusted (and submitted for review and approval) on a biennial basis. All of the other requirements for calculating costs, accounting for over/under applied costs from prior periods, and charging based on actual usage will continue to hold under the new policy.

## EQUIPMENT PURCHASES AND MANAGEMENT

### A-110 REQUIREMENTS:

Requirements for universities, who possess federally-owned and exempt property, as well as equipment purchased with federal funds, are established in OMB Circular A-110, Sections 33 and 34 of Subpart C. Highlights of these requirements include the following:

- Title to federally-owned property remains vested in the Federal Government. Recipients shall submit annually an inventory listing of federally-owned property in their custody to the Federal awarding agency. Upon completion of the award or when the property is no longer needed, the recipient shall report the property to the Federal awarding agency for further Federal agency utilization.
- Title to equipment acquired by a recipient with Federal funds shall vest in the recipient, subject to conditions of this section.
- The recipient shall use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds and shall not encumber the property without approval of the Federal awarding agency. When no longer needed for the original project or program, the recipient shall use the equipment in connection with its other federally-sponsored activities, in the following order of priority: (i) Activities sponsored by the Federal awarding agency which funded the original project, then (ii) activities sponsored by other Federal awarding agencies.
- When acquiring replacement equipment, the recipient may use the equipment to be replaced as trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment subject to the approval of the Federal awarding agency.
- A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years.
- Section 44 of Subpart C also requires that universities avoid purchasing unnecessary items.

### UNIFORM GUIDANCE REQUIREMENTS:

Uniform Guidance requirements for federally-owned property and equipment purchased with federal funds is very similar to what it is found in A-110. The biggest change is in the language associated with the purchase of items (equipment in this context). The language is contained in Section 200.318 under General Procurement Standards: The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items.

### **CURRENT EMORY REQUIREMENTS: (FOR AWARDS COVERED UNDER UNIFORM GUIDANCE – AWARDS COVERD UNDER A-21 SHOULD COMPLY WITH REQUIREMENTS AS DETAILED ABOVE)**

In terms of the management of equipment, we will continue to follow the policies and procedures associated with equipment that have been in place through A-110 and will continue to apply under the Uniform Guidance. In terms of equipment purchases, in order to comply with the language noted above in the Uniform Guidance, a procurement certification has been added for use when making purchases on a sponsored award using Emory Express. This language holds the requester/purchaser accountable for attesting to the essential nature of the equipment to the award, as well as ensuring that they are not aware of any other equipment already in the possession of the University which could also be used to fulfill the aims of the award.

## COMPENSATION – FRINGE BENEFITS: ACCRUED LEAVE (VACATION) PAYOUTS

### A-21 REQUIREMENTS:

Fringe benefits are covered in Section J10 of A-21. Key elements of the guidance are as follows:

- Fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, military leave, and the like, are allowable, provided such costs are distributed to all institutional activities in proportion to the relative amount of time or effort actually devoted by the employees.
- Fringe benefits may be assigned to cost objectives by identifying specific benefits to specific individual employees or by allocating on the basis of institution-wide salaries and wages of the employees receiving the benefits. When the allocation method is used, separate allocations must be made to selective groupings of employees, unless the institution demonstrates that costs in relationship to salaries and wages do not differ significantly for different groups of employees. Fringe benefits shall be treated in the same manner as the salaries and wages of the employees receiving the benefits. The benefits related to salaries and wages treated as direct costs shall also be treated as direct costs.

Prior to FY15, for any employees who were leaving the university and were owed an accrued vacation payout, the payout would be charged as a salary expense based on the employee's funding distribution. In preparation for the Uniform Guidance, the policy was changed beginning in FY15.

### UNIFORM GUIDANCE REQUIREMENTS:

The initial drafts of the Uniform Guidance called for treating accrued leave vacation costs as "indirect" costs, implying that they could not be direct charged....whether in the form of a pure direct charge or as a fringe benefit cost (which is also direct charged). Treatment as an "indirect" cost would clearly be problematic, as most universities are already over the "administrative cap" and would therefore never be able to recover this cost. Our understanding is that a technical correction will be put in place which would clarify the appropriate treatment and allow all us to continue accounting for accrued leave payouts as we are now.

### CURRENT EMORY REQUIREMENTS: (FOR AWARDS COVERED UNDER UNIFORM GUIDANCE – AWARDS COVERD UNDER A-21 SHOULD COMPLY WITH REQUIREMENTS AS DETAILED ABOVE)

Emory has now built into its fringe pool the costs associated with accrued vacation payouts for terminated employees. Although the language in the Uniform Guidance was not clear, we believe the intent was to ensure that federally sponsored programs were not unfairly burdened by the costs associated with a vacation payout. By incorporating this cost into a fringe pool, it allows for a fair and equitable distribution of costs across all activities of the university.

## CHARGING ADMINISTRATIVE SALARIES TO FEDERALLY SPONSORED PROJECTS

### A-21 REQUIREMENTS:

Generally, administrative salaries are included as part of the facilities and administrative rate and are not reimbursable or allowable as a direct cost. Exhibit C of OMB Circular A21 provides exceptions to the general cost principles for projects defined as a major project. -- Examples of major project where direct charging of administrative or clerical staff salaries may be appropriate are as follows:

- Large, complex programs such as General Clinical Research Centers, Primate Centers, Program Projects, environmental research centers, engineering 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 clinical records studies).
- Projects that require making travel and meeting arrangements for large numbers of participants, such as conferences and seminars.
- Projects whose principal focus is the preparation and production of manuals and large reports, books and monographs (excluding routine progress and technical reports).
- Projects which are geographically inaccessible to normal departmental administrative services, such as research vessels, radio astronomy projects, and other research field sites that are remote from campus.
- Individual projects requiring project-specific database management; individualized graphics or manuscript preparation; human or animal protocols; and multiple project-related investigator coordination and communications.

These examples are not exhaustive nor are they intended to imply that direct charging of administrative or clerical salaries would always be appropriate for the situations illustrated in the examples. At Emory, School approval was required for all CAS Exceptions.

### UNIFORM GUIDANCE REQUIREMENTS:

Uniform Guidance requires that the costs are beyond what is typical for the administrative needs to manage a project so the examples above would still provide appropriate examples. Uniform Guidance states that the cost must be included in the proposal budget or, if it is not, prior approval from the federal agency is required. Agencies have the authority to waive these requirements. NSF and NIH are requiring that the costs be explicitly included in the budget including the justification for modular budgets. If not, obtaining agency approval will be required prior to any incurring any charges. a. NSF has stated that they will require prior approval if the cost was not included in the proposal. The federal government has not yet provided federal Research Terms and Conditions. This document will include a prior approval matrix that can be used to identify what prior approvals individual agencies will require.

### CURRENT EMORY REQUIREMENTS:(FOR AWARDS COVERED UNDER UNIFORM GUIDANCE – AWARDS COVERD UNDER A-21 SHOULD COMPLY WITH REQUIREMENTS AS DETAILED ABOVE)

Emory requires that sponsor policies are complied with. The first analysis must include determining if the award is subject to A21 or Uniform Guidance (please see “Topic: Applicability of Uniform Guidance”). Emory also requires that the minimum % of effort charged for any administrative staff member to a sponsored project is 20%. Any requests for exceptions to this should be submitted to the Allowability Panel for further review.

## CHARGING COMPUTING DEVICES TO FEDERALLY SPONSORED PROJECTS

### A-21 REQUIREMENTS:

Generally, computing devices (computers, laptops, tablets, smartphones, etc.) are included as part of the facilities and administrative rate and are not reimbursable or allowable as a direct cost. Exhibit C of OMB Circular A21 provides exceptions to the general cost principles for projects defined as a major project. -- Examples of major project where direct charging of administrative or clerical staff salaries may be appropriate are as follows:

- Large, complex programs such as General Clinical Research Centers, Primate Centers, Program Projects, environmental research centers, engineering 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 clinical records studies).
- Projects that require making travel and meeting arrangements for large numbers of participants, such as conferences and seminars.
- Projects whose principal focus is the preparation and production of manuals and large reports, books and monographs (excluding routine progress and technical reports).
- Projects which are geographically inaccessible to normal departmental administrative services, such as research vessels, radio astronomy projects, and other research field sites that are remote from campus.
- Individual projects requiring project-specific database management; individualized graphics or manuscript preparation; human or animal protocols; and multiple project-related investigator coordination and communications.

These examples are not exhaustive nor are they intended to imply that direct charging of computing devices would always be appropriate for the situations illustrated in the examples. Also noted is that the device can only be used for the purposes of the project to which it is charged. For example, a laptop purchased on a grant (with an approved CAS exception) should only be used for that grant and not for other purposes such as checking email, etc.) At Emory, School approval was required for all CAS Exceptions.

### UNIFORM GUIDANCE REQUIREMENTS:

Uniform Guidance requires that any computing devices charged to a federally sponsored program must be allowable. They must be necessary for the conduct of the project must provide a direct benefit to the project, and the costs must be reasonable and allocated to the project based upon usage. General equipment/devices should not be charged fully to a federally sponsored project. These costs no longer require a CAS Exception. The federal government has also clarified that the items can be occasionally used for other purposes such as checking email. However, the overall use of the device must be consistent with how it is charged.

### CURRENT EMORY REQUIREMENTS: (FOR AWARDS COVERED UNDER UNIFORM GUIDANCE – AWARDS COVERD UNDER A-21 SHOULD COMPLY WITH REQUIREMENTS AS DETAILED ABOVE)

Emory requires that sponsor policies are complied with. The first analysis must include determining if the award is subject to A21 or Uniform Guidance (please see “Topic: Applicability of Uniform Guidance”). Emory also requires a procurement certification statement at placement of the order to provide verification that purchaser has confirmed that charges are allowable and appropriate.

## CHARGING SHORT-TERM TRAVEL VISA COSTS TO FEDERALLY SPONSORED PROJECTS

### A-21 REQUIREMENTS:

Short-term Travel Visa Costs are not specifically addressed in OMB Circular A-21.

### UNIFORM GUIDANCE REQUIREMENTS:

Short-term, travel visa costs (as opposed to longer-term, immigration visas) are generally allowable expenses that may be proposed as a direct cost. 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. For these costs to be directly charged to a Federal award, they must:

- (1) Be critical and necessary for the conduct of the project;
- (2) Be allowable under the applicable cost principles;
- (3) Be consistent with the non-Federal entity's cost accounting practices and non-Federal entity policy; and
- (4) Meet the definition of "direct cost" as described in the applicable cost principles

Long-term visa costs, such as those that enable employment at the non-Federal entity (e.g., for "J" and "H1B" visas) are not allowable direct charges.

### **CURRENT EMORY REQUIREMENTS: (FOR AWARDS COVERED UNDER UNIFORM GUIDANCE – AWARDS COVERD UNDER A-21 SHOULD COMPLY WITH REQUIREMENTS AS DETAILED ABOVE)**

Emory requires that sponsor policies are complied with. The first analysis must include determining if the award is subject to A21 or Uniform Guidance (please see "Topic: Applicability of Uniform Guidance").

## FUTURE TOPICS

### IN THE COMING MONTHS: YOU WILL EXPECT MORE INFORMATION REGARDING...

- Conflict of Interest
- IRB
- Procurement
- Subrecipient Related Tasks and Monitoring