Effective Dec. 26, 2014, the research administration guidelines for accepting and administering federal awards are changing. Institutions of higher education, the federal government’s Office of Management and Budget, its other non-federal partners (state, local governments and nonprofit organizations), and the audit community have been working together to streamline federal awards guidance on administrative requirements, cost principles and audit requirements. These modifications are a key component of a larger federal effort to improve performance and outcomes while ensuring the financial integrity of taxpayer dollars. The federal government refers to this effort as Uniform Guidance (UG).

This document highlights the changes resulting from the Uniform Guidance that Principal Investigator’s should consider and understand when preparing proposals for grants and contracts or administering existing or future awards. Please contact the appropriate Sponsored Program Services Office for additional information or clarification on these changes or visit our website https://www.purdue.edu/business/sps/UG/index.html.

| Administrative / Clerical Salary Costs (200.413) | The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs and should still not be direct charged in most cases. The rules governing “major project or activity” and “unlike circumstances” requirements have been dropped. In order to direct charge these costs the following conditions must be met:  
  o Services are integral to a project/activity  
  o Specifically identify person with project/activity  
  o Explicitly budgeted or prior written approval  
  
  **Proposal:**  
  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.  
  
  **Award:**  
  If the need for administrative and/or clerical salaries is determined after an award and was not included in the proposal budget, agency approval will be required. See your business office or Post Award Specialist. |
| Computing Devices (200.453) | General purpose computing devices can now be direct charged as a supply cost if the acquisition cost is less than $5,000. This does not mean, however, that a laptop or tablet can be charged to every funded project. To be charged to a project a computing device must meet the following conditions:  
  o Essential for the purposes of carrying out a specific aim of the funded project  
  o Above and beyond what is normally provided by the department for academic use, and  
  o Charged to the grant in some reasonable proportion relative to how much it is used for the funded project.  
  
  **Proposal:**  
  No longer are computing devices required to be specifically budgeted however, a computing device will only be an allowable expense if it is necessary, reasonable, and essential for the project. If these conditions are known during the proposal development stage they should be documented in the budget justification. The explanation should include why and how the device is essential and beneficial to the project and that no existing resources are reasonably available. In cases where 100% is charged to a single project, PIs should provide explanation that describes how the device benefits only one project.  
  
  **Award:**  
  If the need was clearly identified in the proposal, then no further action is necessary. If the need was not anticipated, then the PI will need to provide documentation at the time of purchase that the computing device is essential and allocable to the project. |
<p>| Equipment (200.33 &amp; 48) | Capitalized computer equipment (i.e. costing $5,000 or more) is still considered general purpose and normally may not be charged as a direct cost unless approved by the sponsor. |</p>
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<tr>
<th>Closeout (200.343)</th>
<th>Timely and accurate close out must now occur within 90 days after the project period end date. This is now a requirement and puts added emphasis on the timely submission of technical reports by the Principal Investigators.</th>
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| Participant Support Cost (200.68 & 456) | Participant support costs are not routinely allowed on research projects but can be charged if the project includes an education or outreach component and you receive prior agency approval. Participant support costs include items such as stipends, subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants (not employees) in connection with conferences, or training projects.  
**Proposal:**  
When calculating F&A, participant support costs are now excluded from the (MTDC) base and they must be explicitly included in the budget and justification.  
**Award:**  
If participant support costs were included in the proposal then an account will be set up to separately track these funds. If they were not included in the proposal, then agency approval will be required to transfer funds either into the participant support cost lines or out of the participant support cost lines. |
| Subrecipient Monitoring (200.330) | For proposed subawards, a pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. The guidance provides criteria for making the determination including:  
- **Subrecipients** – Performs activities for the project that will have a significant impact on the project with distinct deliverables with minimal supervision.  
- **Contractors** – Provide goods and services that are routinely provided to the general public  
**Proposal:**  
Requests for subawards must be included in the proposal budget and justification and the determination of subrecipient or contractor needs to be made and documented per agency guidelines.  
**Award:**  
If a subaward was not contemplated in the original budget, most agencies require prior approval before awarding a subaward. |
| F&A on Sub awards (200.331) | If a subrecipient has a negotiated F&A rate it must be used. Sub-recipients can now receive a de minimus F&A rate of 10% of Modified Total Direct Costs, if they do not have a Federally negotiated F&A rate of their own. |
| Procurement (200.317-326) | Some of the biggest and most far-reaching changes brought about by the Uniform Guidance are related to procurement. High on the list is the requirement that all procurements above the micro-purchase threshold of $3,000 must be competitively bid in some way.  
Compliance with these new requirements is currently under review and it may involve changes to policies, business processes, and computer systems, so the Office of Management and Budget has granted a grace period to allow extra time for a systematic implementation. Rather than full compliance by December 26, 2014, Purdue must have a plan in place that ensures compliance with the Uniform Guidance procurement requirements no later than July 1, 2016.  
More to follow. Our goal in this effort to comply is to enhance our customer focus and move in the direction of having a faster and easier process that allows compliance while keeping our researchers focused on their research. |
| Effort Reporting (200.430) | The Uniform guidance opens the door to adjustments in effort reporting by removing the requirements for “activity/effort reports” and removing the reference to “certification/certify”. This has prompted a national effort to develop solutions that will allow institutions to comply with the guidance with solutions that satisfy stringent internal control expectations, audit requirements, and minimize the burden of the existing processes. Opportunities being explored include adjusting the frequency of effort reports, delegating authority, and leveraging existing management reports. The uniform guidance still requires assurance that the charges are accurate, allowable, and properly allocated and an accounting for 100% of an individuals compensated activities. We are paying close attention to efforts underway at several other institutions piloting potential solutions in this area. |