

## SUBRECIPIENT MONITORING

The Uniform Guidance requires institutions to perform a risk assessment of subrecipients prior to issuing the subaward in order to determine the appropriate level of monitoring (UG 200.331). Factors to be considered may include:

- Prior experience with same or similar subawards;
- A-133/Uniform Audits;
- Personnel or system changes; and
- Monitoring by federal agencies.

Recent federal audits and enforcement actions continue to reinforce the need for ongoing monitoring of subrecipients regardless of the risk level assigned at the pre-award stage.



## WANT TO KNOW MORE?

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## SUBAWARDS

With prior sponsor approval, fixed price subawards of up to \$150,000 are permissible under the Uniform Guidance, provided there is no mandatory cost-sharing or matching (UG 200.332). Additionally, the Guidance clarifies that if a subrecipient does not already possess a negotiated Indirect Cost Rate, it may apply a *de minimis* 10% rate (UG 200.331).

## CLOSEOUT

The Uniform Guidance reminds institutions that financial **closeout reports are to be submitted no later than 90 calendar days** after the end date of the performance period, and such financial and performance reports, including any due under a subaward, must be received **prior** to closeout. All final billings must be included in the financial closeout report unless an extension is authorized by the federal sponsor (UG 200.343).



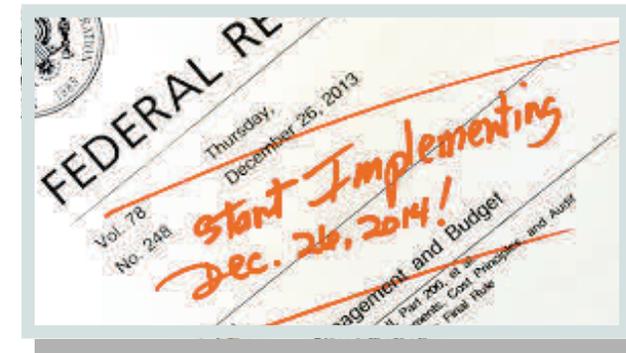
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<http://finance.princeton.edu/how-to/sponsored-research/compliance/omb-uniform-guidance/index.xml>

# THE NEW FEDERAL UNIFORM GUIDANCE

➤➤➤ QUICK GUIDE— WHAT YOU NEED TO KNOW



The recently released Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards from the Office of Management and Budget (2 C.F.R. § 200) (“Uniform Guidance”) is intended to reduce the administrative burden and cost of compliance for federal grantees. It introduces new reforms and incorporates some important concepts from the current circulars that generally provide for more flexibility in direct charging federal awards. In doing so, the Uniform Guidance emphasizes the importance of institutional controls that proactively ensure compliance with the terms and conditions of the awards.

This Quick Guide highlights some of the more significant changes that may impact your new grant applications.



## COST SHARING

Cost sharing is the portion of the total project costs of a sponsored agreement borne by the University or third party, rather than by the sponsor. Two important types of cost sharing are: **mandatory cost sharing**, which is required by the sponsor as a condition of the award and explicitly enumerated in the proposal, and **voluntary committed cost sharing**, which is not required by the sponsor, but offered in the proposal by the applicant.

The Uniform Guidance reinforces the fact that **voluntary committed cost sharing is neither expected nor considered during merit review** of the proposal. Federal agencies must require mandatory cost share or not consider it at all. (UG 200.306)

The Uniform Guidance supports Princeton's strong discouragement of cost sharing unless mandatory by the sponsor because of its high financial and administrative burden and potential negative effect on the negotiated indirect cost rate.

## COMPUTING DEVICES

The Uniform Guidance clarifies that Computing devices are generally considered "Supplies" and can therefore be directly charged to federally sponsored projects as long as they are essential and allocable to the performance of a federal award (UG 200.33). These cost are not required to be solely dedicated to a specific award, and any computing device costing more than \$5,000 should be treated as "Equipment".



## VISA COSTS

The Uniform Guidance clarifies that costs associated with short-term visas for personnel whose critical skills are required for a specific award may be proposed and charged as a direct cost as long as:

- The skills are critical and necessary for the project;
- The costs are considered direct and allowable under Cost Principles; and
- The costs are consistent with University cost accounting policy and procedure.

Expedited processing fees generally remain unallowable under the new guidance.

## ADMINISTRATIVE & CLERICAL SALARIES

The Uniform Guidance clarifies that salaries of administrative and clerical staff should be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate if the following conditions are satisfied:

- The services are integral to a project or activity;
- Individuals involved can be specifically identified with the project or activity;
- Such costs are explicitly included in the budget or have prior approval from the federal agency; and
- The costs are not also recovered as indirect costs (F&A) (UG 200.413).

Compared to previous positions, the Uniform Guidance does not identify any specific type of grants on which administrative/clerical salaries would be appropriate. Conversely, such costs may be requested on grants that are not designated as a "major project."

## INTERNAL CONTROLS

Strong internal controls provide reasonable assurance that Princeton is managing its awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award. The Uniform Guidance emphasizes the importance of having documented internal controls. (UG 200.303)



## PROCUREMENT

The Uniform Guidance provides detailed and prescriptive methods by which research institutions should procure goods and services costing more than \$3,000 under a federal award. The Guidance emphasizes the documentation requirements and internal written procedures for procurement (UG 200.317-326).

### Delay in new procurement requirements

In accordance with Uniform Guidance, Princeton University is delaying implementation of the new procurement requirements until July 1, 2017. The university will continue to comply with the procurement standards in OMB Circular A-110 until that time.

## PRINCIPAL INVESTIGATOR

### DISENGAGEMENT

The Uniform Guidance recognizes that PIs can be away from campus and remain engaged in the project. Prior approval from federal awarding agencies must be obtained for the following program or budget-related reasons (UG 200.308):

- Change in scope or objective of the project or change in a key person identified in the grant application;
- Disengagement from the project for more than three months or a 25% reduction in committed time.