

Quick Guide for Proposal Budget Preparations

(December 15, 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 (UG), or 2 CFR 200) the requirements of which will be applicable to all agencies providing federal awards to non-Federal entities. The information below is being made available to provide some guidance in preparing budgets for proposals for awards that are anticipated to be issued under UG, which will be effective for new awards issued on or after December 26, 2014. 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.

CHARGING ADMINISTRATIVE AND CLERICAL (200.413) AND PROGRAMMATIC SALARY COSTS (200.430)

AT TIME OF PROPOSAL

- Once it is determined that administrative and clerical services are integral to a project or activity and the individuals involved can be specifically identified with the project or activity, the PIs/departments must then explicitly flag or list in proposal budget justifications administrative and clerical costs that meet the direct charging definitions, explain why these costs are integral to the project, and include the statement below shown in bold. For example:
 - *“This award includes 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 program assistant is needed to oversee the subrecipients’ activities, including working with ORPA 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” but not an exhaustive list:

- Large, complex programs, such as program projects, research centers, and other grants and contracts that entail assembling and managing teams of investigators from a number of institutions.
- Projects that involve extensive data accumulation, analysis and entry, surveying, tabulation, cataloging, searching literature, and reporting.
- Projects that require making travel and meeting arrangements for large numbers of 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 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.

AT TIME OF AWARD

- If a proposal is submitted with the required statement included in a justification (as shown above), and an award is subsequently issued by the federal agency without explicitly deleting the administrative cost, the NOA will reflect approval to charge the requested cost. After award issuance, unless prohibited by the terms of the award, any post-award changes in effort greater than 25% will require additional federal agency approval as shown below. Any effort changes to the project that do not exceed 25% of the amount approved by the federal sponsor may be charged to project without additional federal agency approval. However, PIs must recognize that auditors may question this 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 PI must certify his or her effort via the effort certification 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 fill out the ORPA Prior Approval Request Form (OPAR) requesting approval to direct charge the new/additional administrative services. This request must be signed by the PI, and 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 projectORPA will submit the request to the agency. PIs should allow a minimum of 30 days for an agency response. Upon receipt of an approval, ORPA will revise the budget and issue an updated NOA*.

COMPUTING DEVICES (UNDER \$5,000 UNIT COST) (200.33, 200.48, 200.89, 200.439, 200.453C)

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 \$5,000 or more 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.

VISA COSTS (200.463d)

Short-term travel visa costs can be included on competitive and non-competitive proposal budgets.

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.

Expedited processing fees generally remain unallowable under the new guidance. (See 200.436(d))

FIXED PRICE SUBAWARDS (200.332)

Agency prior approval is required to enter into fixed price subawards, which may not exceed \$150K.

Agency prior approval is required to enter into a fixed price subaward rather than a cost-reimbursement subaward, and the total value of each fixed price subaward may not exceed \$150K. This will mostly impact foreign subrecipients and/or small businesses. To expedite agency approval, PIs/departments should add a new justification statement to proposals contemplating fixed price subawards.

AT TIME OF PROPOSAL

- The following justification statement should be added to competitive proposals containing subawards that are anticipated to be issued as fixed price and a separate justification is required for each fixed price subaward to be issued in an amount equal to or less than \$150K:

“The subaward to [Name the subrecipient here] documented in this proposal meets the criteria described in Subpart C- 200.201(b) and Princeton 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.”

- If a fixed price subaward is not contemplated at the time of proposal, then omit the justification statement. You will be able to do an after-award-issuance request if it is determined that a fixed price subaward is needed.
- ORPA reserves the right to make the final determination at time of subaward issuance whether to issue the subaward on a fixed price basis or cost-reimbursement basis. This is true regardless of whether a fixed price justification statement was included in the proposal.
- Consult with ORPA 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.
- A fixed price subaward cannot be used in programs which require mandatory cost sharing or matching. (200.201 (b)(2)).

F&A ON SUBAWARDS (200.331)

- When Princeton University (PU) is the subrecipient, the pass-through entity (the organization that receives a federal award directly) is obligated to honor PU’s negotiated F&A rate and may not impose additional restrictions or limitations on F&A unless the program has a statutory or other rate reduction approved by the head of the federal agency and publically posted per 200.414C.
- PIs may not negotiate rates with their subrecipients. Questions about appropriate F&A should be referred to ORPA.
- If a federal program has a statutory F&A rate (e.g., certain USDA programs) or a posted F&A rate exception as outlined in 200.414C, the University will use the federally approved rate for this federal program. All remaining proposals must use the subrecipient’s federally negotiated rate or the 10% MTDC *de minimis* rate unless ORPA has agreed to negotiate a rate with the subrecipient.

PARTICIPANT SUPPORT COSTS (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. These costs should be explicitly listed in the proposal budget or approved by the funding agency after the award has been made.