

## **Top 10ish Things to Know about Uniform Guidance**

### **Free Webinar for NCURA Members**

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**Below are responses to the questions asked prior to and during the webinar.**

#### **GENERAL**

**Where is the best digital version of the Uniform Guidance (UG) available?  
Is there an electronic version of the latest guidance that is searchable in MSWord or PDF?**

The version found on [govinfo](http://govinfo) can download as a PDF or in XML. It can also be accessed from [Grants.gov](http://Grants.gov) which takes you to the version in the [e-CFR](http://e-CFR) (electronic Code of Federal Regulations). For the most up-to-date, go to the [Federal Register](http://Federal Register) (downloadable as a pdf).

**What are the parts of Uniform Guidance most commonly referred to/used to in daily research administration?**

The answer to this question may depend on where you sit in the lifecycle of an award (pre- or post-award) and if you are in a central unit or department. For Tricia as a trainer, I often refer to Subpart A (definitions), Subpart D (post-award requirements) and Subpart E (cost principles).

**What's the difference between Uniform Guidance and NIH grant policy?**

Uniform Guidance is guidance to the Federal awarding agencies on administrative requirements, cost principles, and audit requirements for Federal awards. Once the Federal agencies codify these guiding principles they become agency regulations. Therefore, the NIH grant policy document is NIH's codification of Uniform Guidance and should be followed for NIH awards.

**The Department of Education regulations used to be EDGAR (Education Department General Administrative Regulations). Was EDGAR replaced by Uniform Guidance?**

EDGAR (Education Department General Administrative Regulations) was amended after the Uniform Guidance was published and the U.S. Department of Education now

points to Uniform Guidance for much of its guidance, though parts of EDGAR are still applicable.

**What parts of Uniform Guidance that are specific for medical/different from academic?**

Appendix IX lists the cost principles for hospitals.

**Is it possible to discuss briefly Appendix IX that applies to hospitals? Why the difference between hospitals and academic institutions?**

Personnel appointments in hospitals are different than in academic settings and many of the “other hospital activities” are not allowable costs under Uniform Guidance. Additionally, there are patient care costs that you may not see at an Institution of Higher Education that is addressed in Appendix IX and credits (insurance, etc.) that must be taken into consideration in a hospital setting. Finally, the “A” portion of F&A (Facilities & Administrative) costs is not capped for hospitals like it is for institutions.

**The order of Precedence that I've seen is the following. Is this accurate?**

- A. Applicable Laws**
- B. Code of Federal regulations**
- C. Standard Terms and Conditions**
- D. Award Specific Terms and Conditions**
- E. Other documents and Attachments**

Law always trumps all else. If you cannot by law engage in an activity (such as hemp research), then it doesn't matter what award terms or Uniform Guidance say. Typically, the most restrictive law wins, though there are exceptions. Research using alcohol is an exception. While Uniform Guidance says that alcohol is typically an unallowable charge (meaning you cannot reimburse meals that include alcoholic beverages), you may be able to purchase alcohol for a research study.

**How often is the Uniform Guidance updated? Where do we find updates especially if working from a printed booklet?**

Uniform guidance is reviewed every 5 years after the initial December 26, 2013 date (2 CFR 200.109). Updates are published in the Federal Register. Always consult the on-line version for the most up-to-date information. For the most up-to-date, go to the [Federal Register](#) (downloadable as a pdf).

**As a manager, what are some ways that I can increase exposure to/increase the use of Uniform Guidance for my staff? What would be best practices for 'getting to know' the Uniform Guidance?**

You can start by sharing the free webinar and these frequently asked questions with your staff. You can also create a Uniform Guidance scavenger hunt for your staff. Also, cite any references to Uniform Guidance in communications and training as applicable.

## **How do the FAR and Uniform Guidance overlap?**

The Federal Acquisition Regulation (FAR) establishes rules and requirements that Federal agencies must follow when procuring goods and services. The Uniform Guidance (UG) establishes requirements that must be followed by grantees when procuring goods and services needed to carry out a Federal award.

## **What's new for Uniform Guidance in 2020? Could you include changes over the years?**

The newest changes are in Procurement and Audit Requirements. For the most up-to-date, go to the [Federal Register](#) (downloadable as a pdf).

## **ALLOWABILITY**

### **Is an Airbnb allowable on federal awards?**

Allowability of an Airbnb for travel supported with federal funds is not addressed. Uniform Guidance instructs that housing/travel costs are allowable as direct costs if reasonable and necessary and approved in advance by the Federal awarding agency. See more under 2 CFR 200.474 (Travel costs). As always, follow the travel rules of the agency/program and of your institution.

### **Is space rental for institutional space allowable? All departments on campus charge for space not used for instruction.**

Yes, space rental for institutional space is generally allowable. Double-check sponsor/program guidelines as some may consider rent or space unallowable. Also, ensure that space is not part of the indirect cost base if charging as a direct cost.

### **Is alcohol allowed if the sponsor says okay to it?**

Yes, alcohol used in research is generally an allowable charge as long as there are no state or local laws that state otherwise.

### **How do we manage unallowable purchases, especially when there is no place to put the charges?**

This is something each institution must have a way of handling and is not specifically addressed in the Uniform Guidance other than to say that costs determined as unallowable may not be charged to a Federal award, and if they are, must be reimbursed. Also, institutions are directed to have a way to segregate and account for unallowable costs. For best practices, consider asking this question on RESADM-L (<https://www.healthresearch.org/office-sponsored-programs/research-administration-listserv/>).

### **Please talk about the Fly America Act as it pertains to flights to/from Canada.**

Fly America Act is not specifically addressed in the Uniform Guidance. However, the Fly America Act requires the use of a U.S. air carrier service for all air travel and cargo transportation funded by the U.S. government. Use a U.S. air carrier for flights to/from Canada. Find more guidance here- <https://www.gsa.gov/policy-regulations/policy/travel-management-policy/fly-america-act>

### **What does Uniform Guidance say about cost-sharing?**

Federal awarding agencies are instructed to include cost-share requirements in their funding opportunities. Expenses that are cost-shared must be verifiable and allowable under the award terms and conditions. Uniform guidance states that voluntary-committed cost-sharing is not expected and cannot be used as a factor during the merit review process. See 2 CFR 200.306 for more on cost-sharing.

### **How do your organizations deal with supplemental compensation?**

Uniform guidance instructs us to follow institutional policies for supplemental compensation and instructs us to establish a consistent written definition of work covered under our definition of Institutional Base Salary (IBS). Our institutions discourage supplemental compensation during the contracted time.

### **Can you provide guidance compensation allowability - vacation leave payout, overload/extra pay, job announcements, and background checks?**

Fringe benefits, including vacation, are allowable (2 CFR 200.431).

Overload/extra pay is addressed in 2 CRA 200.430. There are extensive guidelines for extra pay (see 2 CFR 200.430(h) (3) and (4)). Supplemental pay should not exceed Institutional Base Salary (IBS) and must follow established written institutional policy and consistently applied to both Federal and non-Federal activities.

Job announcements for grant-funded positions are allowed (unless the sponsor or guidance says differently). See 2 CFR 200.421(b) (1).

Background checks would be allowable if they are part of the non-Federal entity's standard recruitment program. See 2 CFR 200.463(a).

### **We require detailed receipts for all travel meals to make sure no alcohol has been purchased and PIs are asking why we don't use a per diem policy. Which is more prevalent?**

We don't know the ratio of institutions using per diem versus those that pay actual expenses. Based on experience, state institutions are more likely to use a state per diem rate while private institutions may reimburse for actual expenses. If reimbursing actual expenses, requiring receipts to ensure alcohol is not charged to a federal award is a best practice and it is up to the institution to decide if they want to pay for alcohol from non-federal funds.

**Is there a sample allocation plan to guide the conversation for computer devices with Principal Investigators (PIs)?**

A sample allocation plan is not provided in Uniform Guidance. For sample plans, consider asking this question on RESADM-L (<https://www.healthresearch.org/office-sponsored-programs/research-administration-listserv/>).

**Are membership allowed as a direct charge on awards?**

Memberships, subscriptions, and professional activity costs are generally allowable as direct costs. Costs of memberships to social or dining clubs are generally unallowable. See 2 CFR 200.454.

**What about direct charging dean's or director's salaries if they are providing "technical contributions"?**

Administrative services are allowable if they meet all of the following conditions:

- Services are integral to the project/activity
- Individuals can be specifically identified with the project/activity
- Costs are included in the budget or have prior written approval
- Costs are not recovered as indirect costs

**Can unrecovered F&A (Facilities & Administrative) costs and/or fringe that were included in the originally accepted budget carryover to subsequent years and used for other line items in the budget?**

If the agreement allows for carryforward, the amounts could be carried forward to the next project year. Depending on budgeting restrictions, the unrecovered fringe may be able to be added to other direct cost budget lines and the F&A would carry forward as well.

F&A is a percent of expenses, so it would be the same percent in the second year as it was in the first and if you are increasing the direct costs (by carrying forward unused budget), you would need to carry forward F&A from year one to two to cover that.

**I heard on computers, people are splitting between a grant and unrestricted funds (unobligated funds). Ninety percent (90%) grant and ten percent (10%) unobligated funds so they have not cost-shared. Thoughts?**

This isn't necessary as computing devices can be charged as direct costs if they are essential to the project. They do not have to be solely dedicated to the performance of the Federal award. See 2 CFR 200.453.

**My university does not have clear allowable vs non-allowable policy for non-federal awards. Can the PI charge staff farewell party charges which include alcohol without a specific university policy? Can I say no to this charge?**

Alcohol is generally unallowable as a charge to a Federal award (2 CFR 200.423). For non-Federal awards, the charge should be pre-approved in the budget. Check your non-Federal award terms and conditions.

**Is an allocation plan recommended for computing devices that are used across multiple projects?**

This isn't necessary as computing devices can be charged as direct costs if they are essential to the project. They do not have to be solely dedicated to the performance of the Federal award. See 2 CFR 200.453. That said, if you know a computing device will be used across multiple projects, you can use an allocation method.

**Stipends cannot be supplement from other federal awards. Does this term also flow down to health benefits?**

Normally stipends do not have fringe benefits. Also, fringe benefits always follow the salary. We aren't clear on this question. Please feel free to call or email ([sm-sutton@wiu.edu](mailto:sm-sutton@wiu.edu); [tricia.callahan@colostate.edu](mailto:tricia.callahan@colostate.edu)) us for clarification.

**AUDIT**

**If Single Audit has a finding and the finding is not related to the PTE's CFDA (Catalog of Federal Domestic Assistance) number, do you send a Management Decision Letter (MDL)?**

This is a University and Pass-Through Entity (PTE) decision. If the finding is related to internal controls or other areas that could affect all grants, then a Management Decision Letter is usually sent. If the finding is specific to another award, then an MDL is not sent. Oftentimes the form sent by the PTE includes a statement regarding findings related to a specific award.

**EFFORT REPORTING**

**What alternatives to effort reporting have been successful in an audit?**

Some institutions handle effort reporting through paper/email verification. Auditors will be looking for complete and accurate verifications. Other institutions use payroll verification, while others may have a system, like ecr. Look for more on alternatives to effort certification to come out of the Federal Demonstration Partnership (FDP) working group Cohort for Efficiencies in Research Administration (CERA).

**Who should complete a Time and Effort form?**

The Principal Investigator or the person with first-hand knowledge of the people performing the effort on a project should complete time and effort statements.

**Does Uniform Guidance dictate how effort is distributed, either on a calendar year basis or academic/summer? Some departments distribute only academic salaries during the academic year and only research during summer months. Is this reasonable if research is doing research all year long?**

Uniform Guidance does not dictate how effort is distributed. It only dictates that effort represents all duties for which an employee is compensated under their appointment type (Institutional Base Salary, IBS).

**A question regarding effort reporting: We have US and European Union (EU) projects. EU projects require detailed timesheets, with work spent on the project recorded by the hour each day. Our current effort reporting for US projects records commitment as % cal. months of effort. Is it acceptable for an institution to have 2 different types of effort reporting depending on the funder?**

Although the Uniform Guidance does not specifically address how to complete effort reporting, one of the underlying tenants is consistency. Therefore we do not believe you should have different effort reporting systems based on different funders. Consider converting the EU timesheets into percent of effort.

### **F&A**

**How should we handle tiered F&A rates for proposals and then when awarded?**

Charge the rate that is in place at the time of award throughout the duration of the award. See 2 CFR 200 Appendix III, C7, "Fixed Rates for the Life of the Sponsored Agreement."

**If the sponsor doesn't allow F&A on the prime award, can the subrecipient include F&A in the subaward?**

No, unallowable is unallowable to the prime and any subrecipients.

### **PARTICIPANT SUPPORT COSTS**

**What are some best practices for participant support? Can you address participant costs and how everyone treats them differently?**

Follow the Uniform Guidance definition of "participant support costs." According to 2 CFR 200.75, participant support costs mean direct costs for items such as 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.

Include participant support costs in the proposal budget and justification for prior approval. Most sponsors will ask that you provide the number of participants and split costs into stipends, subsistence, travel, and other participant support costs.

**What if the speaker is also a participant at the conference?**

If the speaker is receiving a stipend or honorarium for speaking, budget the funds under "Other," not under participant support.

**Should research subject monetary incentives be listed under participant support costs?**

No, it should be budgeted under "Other" direct costs.

**Why wasn't the human subject not consider a participant, if they are a participant in the study? Could you please clarify why the human subject is not a participant support cost, in the case especially where the subjects are not associated with the institution?**

Human subjects or research subjects provide something to the research project (data or information). Participants do not provide something to the research, rather they are receiving training or education. Human/research subjects are not receiving any training as thus are not considered participants.

Incentives for human subject involvement should be budgeted under "Other" direct costs.

**Can you clarify the allowability of meal payments on Participant Support Costs (i.e., catering costs aren't allowed (right?), but what types of meal payments would be allowed)? What about meals, like hotel catering at a workshop/conference? Is that participant support?**

Generally, room rental fees and catering costs should not be budgeted under participant support costs. You can, however, provide participants a meal stipend. You can also provide boxed meals per participant and include these charges under participant support costs. You just need to have a way to document that only the participants are receiving the meal or meal allowance and that non-participants are not.

**Could you clarify whether a participant can or cannot be paid on the same grant or for the same time frame?**

If you mean whether a participant can be paid as both a participant and employee on the same grant, then generally no. For example, a student cannot be compensated partially as an employee and as a participant on the same NSF award. The institution should decide how the student is to be paid based on their role in the project.

**Does special consideration need to be given to participants from foreign countries?**

Check agency guidelines. Also, you might want to consult with your institution on how you will pay foreign participants if you are reimbursing them for expenses.

**Although the Uniform Guidance says Participant Support Costs (PSC) is an exclusion, it seems our F&A rate agreement does not explicitly state that: "Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, student tuition remission, rental costs of off-site facilities, scholarships, and fellowships as well as the portion of each subaward**



**and subcontract in excess of \$25,000." Would it not be included in our rate agreement in the definition of Modified Total Direct Costs (MTDC)?**

Prior to Uniform Guidance, we consulted the sponsor guidelines and our rate agreement regarding the exclusion of participant support from indirect cost calculation. Some agreements explicitly stated the exclusion, others did not. Uniform Guidance includes participant support as an exclusion, so it should be excluded. See 2 CFR 200.68.

**What about Faculty Fellows from other universities?**

Faculty fellows are not participants. Funds to pay them should be budgeted under "Other" direct costs.

**What was the date of the NSF newsletter that address participant support costs?**

May 2017. [https://www.nsf.gov/bfa/dias/policy/newsletter/may\\_2017.pdf](https://www.nsf.gov/bfa/dias/policy/newsletter/may_2017.pdf)

**What about summer students that are not employees?**

It depends on their role on the NSF grant. If they are getting paid to do research, they are not participants. If they are part of experiential learning through an NSF program, like the REU, then they are a participant.

**How do you pay a student under an NSF REU (Research Experiences for Undergraduates) program?**

Neither the Uniform Guidance nor NSF dictates how institutions pay students under the REU, whether through student payroll or through another mechanism. NSF is quite clear, however, that students should be budgeted as participants.

**I have a big problem with 11 sites across the state who are our subrecipients and trying to specify what is and is not allowable as far as office supplies used for general office or for program-specific, such as pens and Clorox wipes and hand sanitizers. Any advice for these situations?**

Cite 2 CFR 200.413 and 2 CFR 200.453 and ask that they justify allocability to the project and ensure the costs are not being recovered under F&A.

**PURCHASING**

**Can you provide an update on the Purchasing section, specifically the micro purchase threshold and simplified threshold? When did the micro-purchase threshold change? Where is this found?**

Office of Management and Budget (OMB) Memorandum M-18-18 issued June 20, 2018, increased the micro-purchase threshold to \$10,000 and the simplified acquisition threshold to \$250,000.

**Can you discuss when expenses are considered paid (i.e., expenses on record vs check leaving entity)?**

For cash management purposes, an expense is paid when the cash leaves the institution. For expenditure reporting purposes it depends on your institution's accounting basis – cash or accrual. Most institutions are accrual basis. In that case, an expense is incurred, and thus reportable, when an obligation has been incurred.

**Can you discuss how to handle MRI equipment acquisition under Uniform Guidance rules when an item is over simple acquisition threshold?**

According to an NSF MRI (Major Research Instrumentation) Program solicitation, the inclusion of representative, itemized vendor quotes is required for all MRI proposals. Although a proposal might reference and have a quote(s) for a specific make and model, the proposer is reminded that his/her organization's approved procurement processes must be utilized in the event of an award to establish the appropriate item(s) to be purchased and that applicable procurement standards for institutions of higher education and other non-profit organizations are described in 2 CFR 215.40-48.

**Does the Uniform Guidance mention anything about transactions over 90 days?**

The Uniform Guidance does not have any specific reference to transactions over 90 days. Cost transfers must be processed in a timely manner but the federal government does not define "timely." The industry standard for cost transfers is 90 days. Uniform Guidance does reference 90 days when talking about pre-award spending authorization, the due date for final reports; but nothing specific with regards to transactions.

**What are your thoughts on electronic record-keeping versus paper? In the event of an audit are electronic receipts okay?**

Electronic receipts have held up under audit.

**On a federal level, would you still need to print out the papers to hand over or could you do it electronically?**

You can do it electronically, though you may want to ensure you are only allowing access to the documents in question via the system.

**If you post expenses in your accounting system, draw down the reimbursement from the sponsor, and then realize that Accounts Payable (AP) didn't cut the checks prior to the drawdown, do you have an audit finding?**

You can have cash on hand for three (3) business days without being in violation of the Federal Cash Management Act.

**I thought you couldn't do a fixed-price agreement over the Simplified Acquisition Threshold of \$250K?**

Uniform Guidance Methods of Procurement to be followed (2 CFR 200.320) indicates for items over the Simplified Acquisition Threshold procurement can be through:

Sealed Bids – “Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded ... “(2 CFR 200.320(c))

Competitive Proposals – “...conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded.” (2 CFR 200.320(d))

If this is a subaward, then you need to reference 2 CFR 200.332 which states a pass-through entity may provide subawards based on fixed amounts up to the Simplified Acquisition Threshold.

### **Do your institutions require documented business purpose for all transactions?**

We only require a documented business purpose for a transaction if it is not self-evident how it relates to the grant itself.

### **What if your institution uses Forward Pricing Rates?**

Forward Pricing Rate Agreement is an agreement between a contractor and a government agency in which certain indirect rates are established for a specific period of time and are governed by the Federal Acquisition Regulation (FAR). The Uniform Guidance covers grants and cooperative agreements (assistance awards) and the FAR covers contracts.

## **REPORTING**

### **Do federal research contracts with no CFDA number need to be reported on the Schedule of Expenditures of Federal Awards?**

Federal contracts will not have a CFDA number, only assistance programs. Uniform Guidance defines Federal Financial Assistance (2 CFR 200.40) as grants, cooperative agreements, non-cash contributions or donations of property, direct appropriations, food commodities, and other financial assistance. The SEFA (Schedule of Expenditures of Federal Awards) includes only assistance programs.

## **SUBAWARDS**

### **In 2 CFR 200.330, is the FFATA report required for interagency subawards? ("State Department of X" issues a subaward to "State University")?**

Prime awardees of a federal grant are required to file a FFATA report if the subaward is equal to or greater than \$25,000. FFATA is only required to be reported on first-tier subawards over \$25k funded by federal dollars. If a state department issues a subaward to an institution that is federally funded, they would have to report FFATA. However, if that institution then has a sub under that award, we do not report FFATA because our sub is 2<sup>nd</sup>-tier.

FFATA reporting would not apply to state-funded interagency agreements.

**If you have a prime NIH award, do you check that your subawards have submitted a yearly research misconduct report to the Office of Research Integrity (ORI)?**

It depends on your institution's level of risk tolerance. Some institutions rely on the single audit report, however, it would not be out of the ordinary to consult ORI.

You can also run a Federal Awardee Performance and Integrity Information System (FAPIS) report which collects integrity information from multiple databases:

<https://www.fapiis.gov/fapiis/index.action>.

**If a for-profit entity is "intimately involved" and providing "ongoing guidance," on a project, would it be appropriate to classify them as a subrecipient? Or could you give an example of when it might be appropriate to classify them as a subrecipient if all other indicators point to "contractor"?**

If the for-profit is performing part of the scope of work or directing the project then likely it is a subrecipient. Any time there is control in the design or conduct of the research you are likely looking at a subrecipient arrangement. Contractors provide goods and services in support of the research but do not participate in the research design itself.

**Under expanded authorities, it was my understanding that we only need prior approval on adding a foreign sub?**

All subs require prior approval unless the Federal program says differently. We get that prior approval by including the sub budget in the proposal. If we add a sub at or after the award stage, then we may have to go back to the agency or may not. It depends on expanded authorities, and not all programs have expanded authorities.

**What do you do when a sub has federal debt in SAM (System for Award Management)?**

It depends. We may conduct a risk assessment to determine if we want to involve the sub. If we want to work with that entity, we would first see if there is anything excluding that entity from working with the federal government. If not, we would likely develop a firm-fixed-price budget based on milestones to ensure work is done before the entity is paid.

**For subs not subject to single audits, do you send an annual questionnaire while asking for an audit report?**

If we are issuing a subaward to an entity that is not required to complete a single audit, we analyze the risk using the FDP Risk Assessment Questionnaire template (<http://thefdp.org/default/subaward-forms/>). We also ask for additional information, such as their audited financial statements and management letter, to help analyze the risk.

**In cases when we elect to use a negotiated rate (between pass-through entity and sub-recipient), is there any guidance on how this rate is determined?**

You can elect to use the de minimus rate of 10% (8% for foreign subs on an NIH award) if the pass-through entity has never had a negotiated F&A rate. Otherwise, no guidance is given in the Uniform Guidance on negotiating a rate between entities.

**If a subrecipient is a foreign institution and cannot file audit reports in the Federal Audit Clearinghouse (FAC), how do we obtain this information?**

We request the audited financial statements and any associated reports directly from the foreign institution.

**Is prior approval needed for Co-Investigator (Co-I) at the subrecipient institution changing effort more than 24.99% if they are not listed as a key on the Notice of Award (NOA) but are key in the proposals?**

Prior approval is needed for PD/PI and other Senior/Key personnel names in the NOA, though some NOAs do not list the sub-personnel. We would likely err on the side of caution and request approval for a change in effort 25% or greater for a Co-I, even if that Co-I is not named in the NOA.