UVU’s Grants & Contracts Workgroup is prepared to offer the following advice:

- **Administrative/Clerical Staff**
  
  *Administrative and clerical salaries should still not be direct charged in most cases.* While the rules governing "major project or activity" exceptions have been dropped (see Section F.6 and Exhibit C of A-21), they have been replaced by the following criteria in § 200.413, all of which must be met:
  
  1. Administrative or clerical services are integral to a project or activity;
  2. Individuals involved can be specifically identified with the project or activity;
  3. Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
  4. The costs are not also recovered as indirect costs.
  
  So the language is different, but the effect is the same. Administrative and clerical staff must be essential to the scientific/programmatic conduct of the funded project. And in keeping with the requirement of consistent treatment, the services provided by the administrative and clerical staff charged to a Federal award must be *unlike* the routine services that are provided by administrative and clerical staff charged to institutional funds.
  
  OSP (Office of Sponsored Programs) recommends documenting these *unlike* circumstances in your budget justification, as well as explicitly requesting agency approval of the cost, e.g., "We are requesting agency approval for a [list appointment and position title here] as an administrative cost allowed under 2 CFR 200.413."

- **Computing Devices**
  
  You may have also heard that general purpose computing devices can now be direct charged as a supply cost. Technically, this is true. Indeed, § 200.94 clarifies that a computing device is a supply, provided the acquisition cost is less than $5,000. This does not mean, however, that a laptop or iPad can be charged to every funded project! *No different from the old A-21 days, a computing device will only be an allowable expense if it is necessary, reasonable, consistently treated, and properly allocated* (see § 200.403 and § 200.405).
  
  In plain language, this means the computing device must be:
  1. essential for the purposes of carrying out a specific aim of the funded project,
  2. above and beyond what is normally provided by the department for academic use, and
  3. charged to the grant in some
reasonable proportion relative to how much it is used for the funded project. Again, OSP recommends explicitly addressing these unlike circumstances in your budget justification. In addition, PIs and departments should maintain documentation that describes how the proposed computing device meets the above requirements.

- **Participant Support Costs**

  Now here is something new! Under A-110, the transfer of funds allotted for *training allowances* (direct payment to trainees) to other categories of expense required prior approval from the Federal awarding agency. While the UG retains this prior approval requirement (see § 200.308), it has changed the terminology to *participant support costs*, defined as "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" (see § 200.75).

  In addition, § 200.456 of the UG now states that participant support costs are allowable with the prior approval of the Federal awarding agency. In other words, *we now have the added burden of getting prior approval to transfer funds into the participant support cost line as well as to transfer funds out of the participant support cost line*! (Note it is likely your proposal guidelines will state whether participant support costs are allowed under the program to which you are applying.) So be extra sure to explicitly include participant support costs in your budget if you need them or you will be required to get sponsor approval later.

  In addition, *participant support costs will have to be segregated in a separate sub-project grant with a 0% indirect cost rate when they are included as part of an award that is recovering indirect costs.*

- **Facilities & Administrative Costs**

  There are two big changes to note regarding Facilities & Administrative Costs (i.e., F&A, indirect costs, IDC etc.). The first (in § 200.331) is that *our subrecipients can either use a de minimus F&A rate of 10% of Modified Total Direct Costs or ask to negotiate a rate with UVU, if they do not have a Federally negotiated F&A rate of their own.* OSP recommends the former. As before, we will honor the Federally negotiated F&A rate of our subrecipients, if they have one.
• Second, the UG has changed the definition of Modified Total Direct Costs to also exclude participant support costs. That means from now on, do not apply UVU's indirect cost rate against participant support costs. They should be treated just like equipment, tuition and the portion of each subaward or subcontract in excess of $25,000.

• A Word About NIH Modular Budgets

There is something of a conflict between the UG and the non-specific nature of NIH modular budgets. In modular budgets, funding is requested in modules of $25,000 total direct costs, without specific budget line items. The budget narrative only addresses personnel (by position, role, and level of effort) and any consortium/contractual arrangements. Additional narrative is only required if the number of modules requested varies from year to year. Thus, adherence to the instructions for submitting a modular budget leaves you no opportunity to follow the Uniform Guidance requirement that certain costs have prior written approval or be explicitly included in the budget in order to be allowable. The full list of such costs is provided in § 200.407. Until NIH provides an update to its Grants Policy Statement and modular budget instructions, please be advised that any such costs will likely require NIH approval after an award has been made.

• A Word About Procurement

Some of the biggest and most far-reaching changes brought about by the UG are related to procurement. High on the list is the requirement that all procurements above the micropurchase threshold of $3,000 must be competitively bid. Compliance with this new requirement will be burdensome and will 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, UVU must have a transition plan in place that ensures compliance with the Uniform Guidance procurement requirements no later than July 1, 2016.
Next Steps
UVU's Grants & Contracts Workgroup continues to meet regularly and in the coming weeks will provide executive leadership with a series of recommendations and important considerations to ensure the university's continued compliance with Federal regulations. After leadership has reviewed the recommendations, resources will be allocated and action plans put into effect. At the same time, the Task Force will be monitoring how the Federal awarding agencies are implementing the Uniform Guidance in their grant management policies and will adjust action plans accordingly. Clearly there is more to come, and we will endeavor to keep you apprised of the changes!