



Uniform Guidance Implementation at VCU—QUICK REFERENCE #1

2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) becomes effective December 26, 2014 for all federal agencies and applies to federal award recipient organizations including institutions of higher education, non-profit organizations, state and local governments, Indian Tribes and hospitals.

<p>Indirect (F&A) Costs (when VCU is the pass-through entity, subrecipient, or contractor)</p> <p>Reference(s) in Uniform Guidance (UG): 200.414 (c) 200.203</p>	<p>Approved federally negotiated rates must be accepted by all federal awarding agencies and pass-through entities. However, if a federal program has a published statutory or regulatory F&A rate limit, OR the federal awarding agency head has authorized an exception, then VCU (and any proposed subrecipients) must use the alternate rate.</p> <p>The federal awarding agency must include in the notice of funding opportunity the policies relating to indirect cost rate reimbursement, matching, or cost share.</p> <p>Use “VCU IDC Uniform Guidance Letter to Sponsor” on OSP website “Forms” page to inform prospective sponsors of this guidance: http://www.research.vcu.edu/forms/IDC_letter_sponsor.pdf</p>
<p>Indirect (F&A) Costs (when another organization is VCU’s subrecipient or contractor)</p> <p>Reference(s) in UG: 200.68 200.331 (a)(4)</p>	<p>Approved federally recognized indirect costs rates must be accepted by the pass-through entity. If no such rate exists, a de minimis indirect cost rate (currently defined as 10%) should be applied to the modified total direct costs (MTDC) base.</p> <p>[There is no change to VCU’s recovery of its indirect costs based on the first \$25K or each subaward.]</p> <p>Use “VCU IDC Uniform Guidance Letter to Subrecipient” on OSP website “Forms” page to inform prospective subrecipients of this guidance: http://www.research.vcu.edu/forms/IDC_letter_subrecipient.pdf</p>
<p>Direct Costs, Charging Administrative/Clerical salary costs</p> <p>Reference(s) in UG: 200.413(c)</p>	<p>The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:</p> <ol style="list-style-type: none"> (1) Administrative or clerical services are <u>integral</u> to a project or activity; (2) Individuals involved can be <u>specifically identified</u> with the project or activity; (3) Such costs are explicitly included in the budget or have <u>the prior written approval</u> of the Federal awarding agency; and (4) The costs are <u>not also recovered as indirect costs</u>. <p>PRIOR APPROVAL REQUEST: Inclusion of administrative and clerical staff salaries as direct costs should be documented at proposal time in a budget justification or after award in a prior approval request letter to the sponsor countersigned by OSP. Justification in either case must address the “integral” and “specifically identified” criteria above.</p>
<p>Participant Support Costs</p> <p>Reference(s) in UG: 200.75 200.456</p>	<p>The definition of participant support costs means 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. Participant support costs are excluded from F&A rate calculations as part of Modified Total Direct Cost (MTDC.)</p> <p>PRIOR APPROVAL REQUEST: Prior federal agency approval for direct charging of participant support costs is required. Inclusion of participant support costs as direct costs should be documented at proposal time in a budget justification or after award in a prior approval request letter to the sponsor countersigned by OSP.</p>

<p>Equipment</p> <p>Reference(s) in UG: 200.33 200.48 200.89 200.439 200.313</p>	<p>Equipment definition continues to be per-unit acquisition cost of \$5000 or more with a usable life of a year or more. UG distinguishes between “General purpose equipment” and “Special purpose equipment.” Examples of general purpose equipment include office equipment, air conditioning equipment and telephone networks—i.e. cost items typically handled as indirect costs. Examples of special purpose equipment include microscopes, x-ray machines and spectrometers—i.e. cost items typically handled as direct costs.</p> <p>PRIOR APPROVAL REQUEST: Prior federal agency approval for direct charging of equipment and capital equipment purchases is required regardless of whether equipment is general purpose or special purpose. Inclusion of equipment as direct costs should be documented at proposal time in a budget justification or after award in a prior approval request letter to the sponsor countersigned by OSP.</p> <p>Note that VCU follows state guidelines in connection with use, management and disposal of equipment acquired under a federal award.</p>
<p>Computing devices</p> <p>Reference(s) in UG: 200.20 200.94 200.453(c)</p>	<p>Computing devices under \$5000/unit are allowable direct charges if they are “<u>essential and allocable</u>, but not solely dedicated, to the performance of a Federal award.”</p> <p>"Partial allocability" for computing devices is a new concept. No particular percentage of use characterizes “essential.” Computing devices should not be purchased for reasons of convenience or preference. Project should be able to show it does not have reasonable access to other devices.</p> <p>Computing devices costing more than \$5000/unit are considered equipment and should follow federal equipment prior approval rules as noted.</p>
<p>Performance Measurement and Reporting</p> <p>Reference(s) in UG: 200.301 200.328</p>	<p>Federal agencies and pass-through entities must “use OMB-approved governmentwide standard information collections when providing financial and performance information.” Current approved performance progress reports such as the “Research Performance Progress Report” aka “RPPR” is an example of a standard information collection.</p>
<p>Fixed Amount Awards</p> <p>Reference(s) in UG: 200.45 200.201</p>	<p>A fixed amount award is a newly-authorized grant mechanism characterized by “defined performance goals and payments.” Characteristics include well defined milestones or performance goals and a payment schedule based on completion of milestones or total job. Costing should be based on historical or clear unit pricing data to eliminate overpricing or profit. Completion of work must be certified and payment adjusted if portions of the work are not completed. A fixed amount award may not be used for a program requiring mandatory cost sharing or match.</p> <p>If a fixed amount award is the desired awarding mechanism, the proposal should be prepared and presented to the federal sponsor with those characteristics in mind.</p>
<p>Fixed Amount Subawards</p> <p>Reference(s) in UG: 200.332 200.201</p>	<p>A fixed amount <u>subaward</u> includes all of the conditions of a fixed amount award. Additional requirement sets a dollar limit tied to the “Simplified Acquisition Threshold”, currently defined at \$150,000.</p> <p>PRIOR APPROVAL REQUEST: Prior federal agency approval to issue fixed amount subawards is required. Inclusion of fixed amount subaward request should be documented in proposal or after award in a prior approval request letter to the sponsor countersigned by OSP. Subrecipient mini package to include scope of work detailing performance goals and proposed payment schedule along with signed face page, biosketch for key personnel, rate agreement and signed subrecipient commitment form.</p>