

Memorandum

To: University Research Community

From: Roberto M. Gutierrez, Director of Pre-Award
Division of Research

Aida Reus, Director of Post Award
Division of Research

Subj.: Implementation of the Office of Management and Budget (OMB) Uniform Guidance

Date: December 30, 2014

As previously announced in earlier communications from the Division of Research the federal government has consolidated grant regulations into a single “super-circular,” known as the “OMB Uniform Guidance” that will cover all federal grant sources and recipients. The circular came into effect on December 26th, 2014 and has been codified under the Code of Federal Regulations under 2 CFR 200 titled “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).”

Some key elements of emphasis and implications for FIU at this time are as follows:

- **Cost Principles** - All costs must be reasonable, allocable and necessary to the performance of the work.
 - **Computers, Software and Data Processing Supplies** – Charging these items as a direct cost to a federal project is allowable if the device is “essential and allocable” to the performance of a federal award. As affirming the allocability of these items to grants is still a high-risk activity, FIU will continue to require Direct Charge Exemption Forms (DCEFs) for these items. Budgeting for and clearly documenting how these items are essential to the project would be one factor in DOR’s review of the request.

DOR requires, that for any project where Computers, Software and Data Processing Supplies are essential and allocable and can be documented as such, to include these clearly in your budget and budget justification at proposal stage if your DCEF is approved.

- **Administrative & Clerical Support** –In order to direct charge salaries of clerical or administrative staff, the salary must be clearly budgeted and justified in the proposal if it is “essential and allocable” to the performance of a federal award. As affirming the allocability of these items to grants is still a high-risk activity, FIU will continue to require Direct Charge Exemption Forms (DCEFs) for these items.

DIVISION OF RESEARCH—DIRECTOR OF PRE-AWARD

Modesto Maidique Campus · MARC 430 · Miami, FL 33199 · Tel 305-348-2494 · Fax 305-348-4117 · www.fiu.edu

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- If the costs are NOT included in the approved agency budget, you must seek prior approval through DOR Post Award from the Sponsor before being allowed to charge these to your project. Note that small amounts of effort are difficult to justify. DOR recommends that administrative or clerical time must exceed 20% of an individual's total effort to be proposed as direct charged to any sponsored project. Any effort less than 20% should generally be recovered as indirect costs.
 1. The budget justification must clearly include the positions, cost and reason that the project has a need for dedicated administrative and clerical personnel and the role that these individuals will play in the project.
 2. DOR will require a DCEF for these charges to be expensed to your project. The individual must have a clearly identified contribution to the project.

DOR recommends that for any project where administrative or clerical support meets the requirements listed above, to include these in your budget and budget justification at proposal stage if your DCEF is approved.

- **Effort Reporting** – The standards for documenting personnel charges on sponsored projects remain the same. The university will continue to use eCRT for effort reporting.
- **Subrecipient monitoring** – There is an increased emphasis on the role of the prime award recipient in monitoring the fiscal and programmatic performance of its subrecipients. FIU investigators on projects with subrecipients will be required to collect, review and retain subrecipient's programmatic reports as required by the terms of the subaward and continue to review invoices and ensure that the subrecipient is performing work at least equivalent to the charges billed.
- **Fixed price outgoing Subawards** – Sponsor prior approval is required to issue a fixed price subaward rather than a cost-reimbursement subaward. To expedite sponsor approval, Investigators must clearly indicate in the proposal/budget narrative that the subaward for the proposed subrecipient will be issued as a fixed price subaward. FIU will consider this fixed price subaward approved if the award is made and no contrary guidance has been provided by the sponsor in the award notice. Please note that fixed price subawards cannot exceed \$150,000.

DOR recommends that for any project where an outgoing subaward is contemplated to be fixed price, a clear statement must be included in the proposal budget and budget narrative that indicates that the proposed subaward will be issued as a fixed price subaward.

- **Fixed amount awards** – The new guidance will allow federal sponsors to issue certain awards as fixed amount awards. As with all proposals, applications for fixed amount awards must be based on the cost principles. FIU will require that all budgets for all types of awards are built, routed and approved using our internal budget sheet, with key personnel broken out by name and effort commitment. Any deviation from the effort commitment, even for fixed amount awards, by 25% or more must be approved by the Sponsor, in writing, prior to the change.

- **Closeout** – There is increased scrutiny on the timeline for closeout of an award. FIU has already experienced increased pressure from sponsors to ensure timely closeout of all awards. Investigators and administrators are encouraged to monitor charges throughout the life of the award to expedite the fiscal closeout. In addition, PI's are expected to file all technical and invention reports within 90 days of the expiration of the award.
- **Agency Implementation** – Each agency is going to be releasing an implementation plan which indicates how they will execute the changes brought forth by the Uniform Guidance. The Division of Research will communicate these implementation plans with the research community as they become available over the next several weeks and post them on our website at research.fiu.edu.

Please note that these changes related to the Uniform Guidance and other items of interest will be discussed at our upcoming Quarterly Research Administrator's Meeting (QRAM) scheduled for January 27th, 2015 from 10:00 AM – 12:00 PM in the MARC Pavilion. An announcement will be sent in early January to RSVP for the meeting.

If you have any questions about the Uniform Guidance, please feel free to contact your Pre-Award or Post Award representative (<http://research.fiu.edu/dor/pages/staff-directory.html>) or call 305-348-2494 for further assistance.