

November 24, 2014

Uniform Guidance
Administrative Requirements, Cost Principles, and Audit Requirements
For Federal Awards
2 CFR 200

**What NYU Faculty and Administrators Need to Know
About the Uniform Guidance**

Background. The Uniform Guidance was issued by the Office of Management and Budget on December 26, 2013 to constitute a single place where all of the regulations regarding the management of federal awards can be found. The Uniform Guidance replaces the regulations applicable to federal grants and contracts awarded to universities that were contained in long-standing OMB Circulars A-21, A-110, and A-133.

Agency implementations of the Guidance to be effective December 26, 2014 have not been forthcoming, with the exception of the National Science Foundation (NSF). NSF issued its implementation of the Uniform Guidance on November 20, 2014.

As each sponsor makes known their implementation of the Guidance, we will keep the NYU research community updated on any agency-specific interpretations requiring revisions to the guidelines referenced below as well as other cost principles, audit and administrative requirements that may impact NYU research administration policies and procedures.

The following Uniform Guidance cost principles and administrative requirements will have the most immediate impact on the administration of NYU's sponsored programs.

Direct Charging of Administrative and Clerical Costs

Under the Uniform Guidance, it is possible to charge administrative and clerical costs as direct costs on federal grants. The Uniform Guidance requires the Principal Investigator to justify that the proposed administrative and clerical services are *integral* to the project. Although "integral" is not a defined term, the services provided for which administrative and clerical costs are direct charged to a federal award must be well defined and essential to the project. Routine departmental administrative support equivalent to 5-10% effort is typically covered by F&A and unlikely to meet the above criteria. However, it is permissible to direct charge administrative or clerical costs if an employee commits substantial effort over a short period of time for a specified task which is integral to the project. In addition, the Guidance requires that:

- the individuals involved be specifically identified with the project
- costs are explicitly included in the budget and justified (or, post-award, have prior written approval by the sponsor)
- costs are not also recovered as part of Facilities and Administrative (indirect) Costs

Charging Computing Devices to Sponsored Projects

Per the Uniform Guidance, the purchase of computers on federal awards is allowable when they are essential and allocable to the performance of the federal award, even when not “solely dedicated” to that award. Note that computing devices, if under \$3,000 (i.e., under NYU’s capitalization threshold), are treated as supplies rather than equipment.

Cost Sharing

The Uniform Guidance imposes new limits on the agencies’ ability to solicit cost sharing:

- Voluntary committed cost sharing is not expected in federal research proposals.
- Voluntary committed cost sharing cannot be used as a factor in the merit review process unless it is both in accordance with Federal awarding agency regulations and specified in the notice of funding opportunity.
- Mandatory cost sharing is still allowed if required by the federal sponsor and detailed in the notice of funding opportunity.

Principal Investigators may still seek approval for voluntary cost sharing above the 1% entitlement under special circumstances, with the expectation that some level of effort will be charged to the Federal award. Up to 5% academic year salary may be committed as cost sharing, with the approval of the Chair and the Dean. Any voluntary cost sharing above 5% on a single grant or 10% cumulatively across proposals requires the approval of the Chair, Dean and Senior Vice Provost for Research.

NOTE: NSF specifically prohibits voluntary committed cost sharing.

Documentation of Salaries and Wages Charged to Federal Awards

NYU’s Time and Effort Reporting system meets the requirements of the Uniform Guidance. As agencies implement the Guidance with a focus on performance-based measures and institutions are audited to the standards of the Guidance, NYU will look for ways to reduce the administrative burden associated with time and effort reporting.

The **Institutional Base Salary, on which salaries and wages charged to federal awards is determined**, is defined as the total compensation that NYU pays an employee for research, teaching, patient care, and administration, as established in the appointment letter, for service to the University regularly expended over a given period of time, usually the academic or fiscal year. It **excludes**: salaries from organized clinical practice plans when not guaranteed or part of one's regular appointment; bonuses and certain one-time payments; incidental or short-term service, including cross-school departmental consultation (e.g., Extra Service Pay at NYU's global sites); and teaching outside of regular periods (e.g., "minimesters").

Facilities & Administrative (Indirect) Cost Rates

Under the Uniform Guidance, federal agencies must accept and use negotiated rates for NYU and Subrecipient collaborators in resulting awards unless a deviation has been approved by OMB. Subrecipients that do not have a federally negotiated indirect cost rate are entitled to charge a de minimis indirect cost rate of 10% of modified total direct costs or negotiate a rate with NYU.

Payment of Subrecipient Invoices

NYU still requires that the Principal Investigator approve all Subrecipient invoices prior to payment. Subrecipients should be made aware that late invoicing (defined as later than sixty (60) calendar days after the end date of the Subrecipient's period of performance) may result in NYU's inability to reimburse the Subrecipient's expenditures due to Uniform Guidance closeout requirements.

Closeout

The Uniform Guidance requires that NYU satisfy all obligations and submit all financial, performance and other reports required by the terms of the award (e.g., property and invention reports) not later than ninety (90) calendar days after the end date of the period of performance. Federal agencies are likely to disallow reimbursements requested after the 90-day closeout period. There will be no grace period as has been the case in the past.