Update on Uniform Guidance
Cost Principles
The following direct cost items have significant changes to the treatment when charging Federal Awards under the Uniform Guidance:

**Participant Support** – Clarifies the treatment and definition of participant support costs as costs for training or conferences for participants who are not employees.

**Computing Devices** – Classifies computing devices as part of materials and supplies. Now allows flexibility in charging these costs when they are necessary but not solely dedicated to an award.

**Administrative & Clerical Salaries** – Removes the “major project” determination and allows for charging with prior approval when specific conditions are met.

**Compensation – personal services** – The standards for documentation of personnel expenses emphasizes on internal controls. Systems for documentation must provide reasonable assurance that charges are accurate, allowable and properly allocated. **Effort Reporting System will continue to be used.**

**Publication & Printing** – Provides flexibility to charge publication costs incurred after the period of performance but before the final closeout of the project

**Visas** – More restrictive on long-term immigration visas than current NIH policies
Publication and printing:
The UG is providing institutions additional flexibility to charge Federal awards after the performance period for page charges in professional journals.

However late charges can create issues for meeting closeout deadline of Federal awards.

The best practice is to get an invoice or estimated quote for publication costs and if not incurred on the ledger already at award close, include these costs as a pending expense on the close memo and provide backup documentation.
Visa Costs:
The UG has a more restrictive interpretation of allowable visa charges than the current Federal guidance from the NIH Grants Policy Statement. The current regulations allow for the long-term visas to be an allowable direct charge as part of the recruiting costs of individuals paid on the Federal award. The UG appears to only allow short-term visa as direct costs on Federal awards.
Visa Costs:
The UG allows short-term, non-immigration visa costs for a specific period and purpose as direct costs on federal awards if these costs are critical and necessary and clearly identified as directly connected to the work performed on the federal award. Because this is being classified as a recruiting cost, only the initial visa cost is allowable.

J1 and H1B visas are for a specific period and purpose; therefore, these visa types are generally allowable if the specific conditions are met.
Administrative and Clerical Salaries

• The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:
  – Administrative or clerical services are integral* to a project or activity;
  – Individuals involved can be specifically identified with the project or activity; and
  – Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency

• You may not include the salaries of administrative personnel conducting such activities as financial reconciliations, general office clerical work, and proposal preparation, as these costs must be recovered through Facilities & Administrative (F&A) charges

• Examples of projects where administrative and clerical costs could be included as direct costs in a proposal, with proper justification, include, but are not limited to:
  – Large, complex programs, such as program projects or centers
  – Projects with complex project management requirements, such as managing multiple subawards
  – Projects that require making travel and meeting arrangements for large numbers of participants, such as conferences

* Integral is defined as essential to the project's goals and objectives, rather than necessary for the overall operation of the institution
Direct Charging of Computer Devices

• Computing devices are defined as machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information.

• Computing devices < $5,000 that are essential and allocable, but not solely dedicated to the performance of a federal award, may be charged 100% to an award or may be allocated to several awards. (Computing devices of > $5,000 are considered equipment and must be appropriately described in the proposal budget.)

• While no prior agency approval is required, computing devices should be itemized in the proposal budget.

• In addition, the project must not have reasonable access to other devices or equipment that can achieve the same purpose. Devices may not be purchased for reasons of convenience or preference.
Financial Closeout
Financial Closeout Provisions

• The Uniform Guidance includes two provisions related to the financial closeout of federally sponsored projects:

1. The final financial report must be submitted within 90 days of the project termination to the agency – STATUS QUO

2. All obligations must be liquidated (for letter of credit projects: drawn-down) within 90 days of project termination – NEW
Implications for the Research Community

• Amount reported as expended on the final financial report must equal the amount drawn-down at the time that the report is submitted.

• There will no longer be the wiggle room that used to exist where EMF could draw funds after the 90 day rule. The systems are now removing awards after the 90th day from their systems and not making the money available after that. This means that departments must get their close memos to EMF with enough time for EMF to review the close documents and ledger and perform the final draw or final invoice.

• Current UCSB close memo policy dictates that EMF must receive the departmental close memo no later than 2 weeks before the final reports/final invoices are due to the agency.
Implications for the Research Community

• **Common Due Dates:**
  
  • Unless otherwise noted, most awards have closeouts **due to the agency no later than 90 days** past the end date. Therefore, close memo from department is due to Accounting no later than 75 days past end date.

  • There are of course **Many Exceptions** to this rule and each award must be reviewed for their close date:

    • Closeouts for **Federal-Flow-Through Awards** and also **Intercampus Awards** are usually due to sponsor no later than **60 Days** from end date; Therefore, close memo due to Accounting no later than 45 days.

    • Closeouts for **NSF Awards** due to Accounting no later than **45 days**.

    • Closeouts for **SeaGrant Awards** are due to sponsor no later than **45 Days** from end date; Therefore, close memo due to Accounting no later than 30 days.
Financial Closeout Notifications

EMF distributes the following email communications to PIs:

1. ADVANCE NOTICE 30-45 days before a project period terminates, alerting the PI of the upcoming project termination providing a reminder to coordinate with departmental C&G Liaison to prepare a close memo if award not being extended.

2. FIRST, SECOND, and THIRD NOTICES going out each month after the project has ended alerting the PI of the project termination and providing a reminder to coordinate with departmental C&G Liaison to prepare a close memo if award not being extended.