

New Uniform Guidance over Federal Awards

The Office of Management and Budget (OMB) issued *“Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule”* on December 26, 2013. This guidance consolidated and aligned previously issued rules governing the awarding, expenditure, and audit of federal awards to institutions of higher education, state and local governments, and other nonprofit entities. The guidance is intended to “significantly reform and strengthen Federal grant-making to improve outcomes for the American people while reducing bureaucratic red tape.” After a year-long review of comments and further discussions, an interim final joint rule was issued on December 19, 2014, including technical corrections to the regulations and implementation guidance from major federal agencies. The effective date of the Uniform Guidance is December 26, 2014.

Following are the major effects of these new regulations on researchers at NMSU (broad communication to the campus of specifics of each implementation will come from the VPR office as procedures are finalized):

- Direct charging of administrative clerical salaries is now allowable on non-major programs. The administrative effort must be integral to the project. Specific individuals to be directly charged must be identified. Such costs must be included in the agency-approved budget and/or agency prior approval is required.
- Purchase of computing devices is allowable. Devices must be essential to the project and the cost of purchase allocated reasonably.
- Costs to publish results of federally-funded research after the award period are allowable if incurred within 90 days of the end of the award period AND before award closeout.
- Supplies inventory exceeding \$5,000 at the end of a grant must be reported; if these supplies are not to be used on another Federal award, the university must reimburse the government (whether the supplies are sold or retained for use in other activities).
- Voluntary cost sharing is not expected and cannot be used as a factor during merit review of applications or proposals. It may be considered under agency regulations (not during the merit review); criteria must be explicitly described in the notice of funding opportunity.
- Subrecipients are entitled to their federally negotiated overhead rate. If no rate has been negotiated with the government by a subrecipient, then de minimus 10% rate may be used or rate negotiated between prime awardee and subrecipient.
- Payments to subrecipients must be made within 30 days of billing. (Issue: all invoices should be directed to Sponsored Projects Accounting (SPA); if an invoice is misdirected, investigator/department/college must forward it to SPA as soon as feasible.)
- The effective date for additional required changes to procurement procedures will be the first fiscal year beginning after December 26, 2015 (after a “grace period” for implementation); for NMSU, this is July 1, 2016.

Detailed information about the Uniform Guidance can be found on the research tab on my.nmsu.edu (click on “Uniform Federal Award Guidance”) or on [the VPR website](#). This includes all announcements to NMSU faculty and staff, as well as background information, for those who would be interested, from (among others):

- The federal government, including the regulations as published and revised in the Federal Register. Additional information was provided by the Office of Management and Budget (OMB) and the Council on Financial Assistance Reform (COFAR), the entity that was the driving force behind the Uniform Guidance.
- The Council on Governmental Relations (COGR), a national organization of research universities with at least \$15 million in annual research funding.
- The National Council of University Research Administrators (NCURA), a professional organization of university research administrators. NCURA links include articles from their magazine and short (2-5 minute) videos on several UG topics.