

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

On January 26, 2015, the university community received a communication from the Provost concerning recent changes to federal regulations governing the awarding, expenditure, and audit of federal awards. Following are specifics of the implementation of five changes with broad impact; these are effective immediately. Changes relating to procurement policy have a delayed implementation (July 2016) and will be communicated when they are effective.

Procedures for implementing each of the major changes affecting faculty and staff engaged in federal awards are being disseminated by the Office of the Vice President for Research; all these procedures will be available through the research tab at my.nmsu.edu (click on the Uniform Federal Award Guidance icon) and on the [research website](#).

§200.305 Payments

Section 2 CFR 200.305 requires the federal government and pass-through agencies to make payment within 30 calendar days after receipt of an invoice, unless the entity reasonably believes the invoice to be improper. Specifically, the university must make payments to subawardees within 30 days of the receipt of an invoice. To facilitate meeting this requirement, investigators should immediately review and approve any subawardee invoice received and forward to SPA for payment as soon as feasible; PI review of invoices is an existing requirement (not changed by the Uniform Guidance), ensuring that subawardee charges are appropriate.

200.314 Residual Inventory of Supplies

Section 2 CFR 200.314 states that “if there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the program and the supplies are not needed for another Federal award, the non-Federal entity must retain the supplies for use in other activities or sell them, but must in either case, compensate the Federal government for its share.”

Unused supplies exceeding the threshold of \$5,000 in total aggregate value must be reported on the [Report of Final Expenses](#). This form is prepared and submitted by a department, college, or unit as part of the award closeout process. Section 5 has been added to the form for this purpose.

If the residual supplies are to be used on a continuing award or other federally-sponsored activities, the first-in, first-out inventory should be used. That is, supplies transferred at the conclusion of another award should be used before using those purchased under the new award.

Modifications to section 3.15.15 of the *NMSU Business Procedures Manual* to reflect this requirement are in process.

NOTE: Pay special attention to computing devices. One interpretation may be that once a computing device is used on a project, it does not meet the definition of “residual inventory” and therefore is not subject to the post-award accounting requirement. However, proper cost allocation principles apply, and allocation may be questioned for computing devices purchased towards the end of a project.

§200.413 (c) Direct Charging of Administrative/Clerical Costs

Section 2 CFR 200.413 (c) allows charging administrative and/or clerical services as a direct charge to federal awards under specified conditions:

- The services are integral to the project or activity;
- Individuals involved can be specifically identified to the project or activity;
- Costs are explicitly included in the budget and/or have prior written approval from the sponsor; and
- Costs are not also recovered as indirect costs.

The Office of Grants and Contracts requires that all administrative and/or clerical costs to be included as direct charges to federal awards clearly meet the above criteria. Written justifications must be submitted to OGC at the proposal stage; if an unsolicited award is received, the justification must be submitted at the award stage.

§200.453 (c) Purchase of Computing Devices

Section 2 CFR 200.453 (c) allows purchase of computing devices as a supply cost when essential and allocable, but not solely dedicated, to a federal award. The Office of Grants and Contracts (OGC) requires that all computing devices to be purchased under a federal award are clearly justified as essential and allocable to the funded effort. Written justifications must be submitted to OGC at the proposal stage; if an unsolicited award is received, the justification must be submitted at the award stage.

§200.461 Publication and Printing Costs

Section 2 CFR 200.461 allows the charging of publication costs for electronic and print media, including distribution, promotion, and general handling as a direct charge to a federal award. Page charges for professional journal publications are allowable if the following conditions are met:

- The publications report work supported by the federal government;
- The charges are levied impartially on all items published by the journal, whether or not sponsored by a federal award; and
- Charges to the federal award may be made after the period of performance but before the award closeout.