

DATE: January 20, 2015

FROM: Wayne Glass, Director, OSPA/GCA

TO: Fiscal Officers, Department Chairs, Principal Investigators, Business Administrators

RE: Uniform Guidance Announcement

Effective December 26, 2014, the White House Office of Management and Budget (OMB) issued the Uniform Guidance (UG). The UG replaces eight previous OMB circulars that defined how non-federal agencies must manage and administer federal funds, such as grants and contracts. The purpose of the UG is to streamline and harmonize the previous circulars to reduce redundancy and, in some cases, conflicting guidance, as well as add new requirements that did not previously exist.

The UG has implications for how the University administers federal grants and contracts, including subawards to other institutions.

The University has been evaluating the UG and its impact since early 2014. The UG will require more diligence on the part of OSPA/GCA, as well as the principal investigator and fiscal officer. OSPA and Grant and Contract Accounting (GCA) staffs are prepared to advise researchers and administrators about the UG requirements during proposal preparation and award management.

We will be implementing a number of new internal guidelines and procedures over the next few months to assure that we are in compliance with the UG. I've outlined a number of items below of which you should be aware.

➤ Subawards and Vendors

The UG provides a clear distinction between funding that is made as a "subaward" or a "vendor" (purchased services). Because of this, **OSPA must be involved in initial discussions with potential funders (not just federal agencies)**. It will no longer be possible for researchers to negotiate with a funder and/or a subrecipient organization without OSPA involvement. Projects that arise from discussions in which OSPA has not been a party may not be accepted by the University.

➤ Cost Sharing

Federal funding agencies can no longer use voluntary cost sharing as a factor in the proposal review process unless specifically defined in the solicitation. For this reason, **OSPA will no longer approve any voluntary cost sharing without evidence that it is required by the funding agency**, without an approved voluntary cost share waiver.

➤ Revisions of Budget and Program Plans

The UG provides very specific guidance on when prior approval is required for changes in project scope, budget, key personnel and other changes. Researchers may find OSPA and GCA staff requesting that they obtain funding agency approval before making changes to a project.

Unless included in the proposal and the approved budget, equipment purchases will require the prior approval of the federal funding agency.

➤ **Final performance reports on most federal projects are due no later than 90 days after the close of a project**, unless otherwise specified by agency guidelines. Agencies will have the ability to refuse to accept late reports, which can have serious consequences to a researcher's future funding.

PIs will need to provide OSPA with a copy of the final report and a record of when it was submitted. As an institution, we are required by the UG to assure that final reports are submitted.

➤ Project Closeout

On most federal awards all required fiscal reporting and documentation is required to be submitted no later than 90 days after the project end date. Non-federal agencies may have a more stringent requirement. This will require careful monitoring of program expenses and management of staffing and expenditures by the PI and Fiscal Officer to assure that all costs are allowable, allocable and incurred prior to the end date of a project. There will be less time to process cost transfers at the close of a project.

➤ Indirect Costs

With rare exceptions, federal agencies must accept the University's federally negotiated indirect cost rate. **OSPA will be monitoring this closely during the proposal preparation stage**, with the expectation that our indirect cost recovery will benefit. Requests for waiver of indirect must be justified.

OSPA staff will be able to discuss others aspects of the UG with researchers that may benefit their proposal and awarded project.

In the meantime, I would be pleased to come to a department meeting or other event to discuss the UG and its impact on the SIU Carbondale research community.

We will be scheduling one or more seminars on the UG this Spring.