

Uniform Guidance Implementation

Cost Principles Reference Guide

The Uniform Guidance issued by the White House Office of Management and Budget includes revised cost principles for federal awards made on or after December 26, 2014. This Cost Principles Reference Guide highlights select items of cost that should be considered in the budget preparation process and post-award management, in accordance with the Uniform Guidance.

Overview of Cost Principles

“Direct costs” are those costs that can be identified specifically with a particular sponsored project or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. In contrast, “indirect costs,” or facilities and administrative (F&A) costs, are those, such as building operations and maintenance, administrative personnel and systems, and other similar costs, which benefit many activities. *Costs incurred for the same purpose in like circumstances must be treated consistently, as either direct or indirect costs.* See 2 C.F.R. §§ [200.403](#), [405](#) and [413](#).

Costs requiring prior approval must specifically be requested in the proposal budget or in writing before the proposed change. For the full list of costs requiring pre-approval go to [Code of Federal Regulations – Title 2 Section 200.407](#). Contact your business office to initiate a change request.

- For any cost to be allowable under a federal award, it must:*
- 1. Be necessary and reasonable for the performance of the award and allocable thereto;*
 - 2. Conform to any limitations or exclusions set forth in applicable regulations or in the award itself;*
 - 3. Be consistent with policies and procedures that apply uniformly to both federally-financed and other UMCES activities; and*
 - 4. Be accorded consistent treatment.*

Description/ UG Sections	Directly chargeable to a federal project?	Prior agency written approval required?	UMCES Implementation
Administrative and Clerical Salaries and Costs (200.413 / 200.430)	Yes , if they are integral to a project, can be specifically identified, and are not also recovered as indirect costs.	Yes , budget justification must explain integral nature of the services to the project.	PI/Lab must maintain documentation to support these costs as essential and allocable to the project. <i>See UMCES Guide on Administrative Direct Costs</i>
Computing Devices (under \$5,000/unit) (200.20 / 200.453)	Yes , provided they are essential and allocable (but not necessarily solely dedicated) to the project. 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.	No , but computing devices must be itemized in the detailed budget and the budget justification must explain how the devices are essential and allocable to the project.	PIs and Labs must maintain documentation that describes how the proposed computing device meets the requirements for allowability and allocability. <i>See UMCES Guide on Purchasing Computers and Supplies on Sponsored Projects</i>
Exchange Rates (200.440)	Yes , cost increases due to fluctuations in exchange rates are allowable subject to the availability of funding.	Yes , where the change requires additional federal funding or a reduction in scope.	Post-award changes must be requested in writing before the change is made. Contact your business office.

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Fixed Amount Subawards (200.445)	Yes , fixed amount subawards may be awarded up to the Simplified Acquisition Threshold (\$150,000).	Yes.	Contact your business office for subcontract initiation.
Goods or Services for Personal Use (200.445)	No , unless they are housing, housing allowance and personal living expenses that are essential and allocable to the project.	Yes , for housing. Budget justification must explain how housing or housing allowance is essential and allocable.	PI/Lab must maintain documentation to support these costs as essential and allocable to the project.
Participant Support Costs (200.75 / 200.456)	Yes , items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (<u>but not employees</u>) in connection with conferences or training projects. Participant Support costs must be excluded from MTDC.	Yes.	UMCES establishes a separate account for participant support costs which allows for the required tracking.
Publication and Printing (200.461)	Yes , even if incurred outside the period of award before closeout, provided they are allocable to the project and a particular cost objective.	No , but they should be specified in the budget. The budget justification should include an explanation of why the costs will be incurred post-award.	PI/Lab must work with CA in order to charge publication and printing costs post award and prior to closeout. Costs must be charged within 90 days of termination.
Rearrangement and Reconversion Costs (200.462)	Yes , provided they are essential and allocable to the project.	Yes , budget justification must explain how facility modifications directly benefit the project.	PI/Lab must maintain documentation to support these costs as essential and allocable to the project.
Taxes (including VAT) (200.470)	Yes , except taxes from which exemptions are available, special assessments on land, and federal income tax.	No.	Additional documentation for foreign subrecipients may be needed to demonstrate requirement 'to pay in country VAT (value added tax) tax'.
Visas (short-term) (200.463)	Yes , if in they are in connection with recruitment efforts and can be clearly identified as directly connected, critical and necessary to the project.	No , but they should be specified in the budget justification.	PI/Lab must maintain documentation to support these costs as directly connected, critical and necessary to the project.