



# Proposal Preparation under the Uniform Guidance

This *Proposal Preparation Reference Guide* highlights select changes in the Uniform Guidance that you should consider, in conjunction with the Funding Opportunity Announcement (FOA), as you prepare proposal budgets for federal sponsored projects. This Guide focuses on three areas:

1. Subrecipient requirements;
2. Select items of cost that may, under certain circumstances, be directly chargeable to sponsored projects; and
3. Voluntary Committed Cost Sharing.

For detailed information about changes in the cost principles for federal awards, please review the [UMCES Uniform Guidance Cost Principles Reference Guide](#), available on the [ORAA Uniform Guidance website](#).

For any questions on proposal budget development, you should contact your business office. Other questions relating to the Uniform Guidance can be sent to [oraa@umces.edu](mailto:oraa@umces.edu). ORAA will inform the research community of new developments relating to the Uniform Guidance as they become available.

Federal agencies continue to roll out their specific guidelines implementing the Uniform Guidance. Agency guidelines may deviate from the Uniform Guidance and generally take precedence. As agency guidelines become available, they are being added to UMCES' Uniform Guidance website. Please visit the webpage and familiarize yourself with your specific funder's requirements.

The following items are referenced from the Uniform Guidance, Title 2, Part 200, [Subpart D: Post Award Requirements](#) and [Subpart E: Cost Principles](#) (200.300 – 200.475).

## 1. Subrecipient Requirements ([200.331](#))

### F&A Budgeted for Subawards

Under the Uniform Guidance, Facilities & Administrative (F&A) costs must be budgeted for subrecipients as follows:

1. If the subrecipient has a federally negotiated F&A rate, the negotiated rate must be included in all proposed subawards.
2. If the subrecipient does not have a federally negotiated F&A rate, the Uniform Guidance requires the use of at least a 10% *de minimis* F&A rate, except where the subrecipient is able to allocate and charge 100% of its costs directly.

It is not permissible for the PI/department to force or entice a proposed subrecipient without a negotiated rate to accept less than the *de minimis* rate. Finally, there is no change to UMCES' recovery of its own F&A costs – this remains limited to receiving our F&A rate on the first \$25,000 of each subaward.

## 2. Select Items of Cost

The Uniform Guidance allows the direct charging of certain items to federal sponsored projects that could not be directly charged under the prior regulations. Some items require prior written approval from the sponsor, as noted below. More information about the revised cost principles can be found in the [Uniform Guidance Cost Principles Reference Guide](#), available on the [ORAA Uniform Guidance website](#).

### **Direct Charges for Administrative and Clerical Salaries ([200.413](#); [200.430\(h\)\(1\)\(i\)](#))**

Administrative and clerical salaries are still normally treated as F&A costs, but direct charging to a federal sponsored project is permitted under the Uniform Guidance *if the administrative or clerical services are integral to the project* or activity. “Integral” means essential to the project’s goals and objectives, rather than necessary for the overall operation of the institution. The individuals involved must be specifically identified with the project or activity. Prior written approval of the awarding agency must be obtained. The budget justification must include a narrative that explains how these services are integral to the project.

### **Direct Charges for Computing Devices ([200.453](#))**

The Uniform Guidance specifically allows the direct charging of computing devices that cost less than \$5,000, provided that they are essential and allocable to the project. They do not have to be solely dedicated to the performance of a federal award, and should be listed under “Materials and Supplies.” Capitalized computer equipment (i.e., costing \$5,000 or more) is still classified as general purpose equipment and normally may not be charged as a direct cost unless approved by the awarding agency.

The cost of computing devices that meet the above requirements may be charged 100% to an award or may be allocated to several awards. The devices should be itemized in the proposal budget (or in the case of NIH Modular Grant applications, itemized in the detailed budget provided to your SPA Project Officer). 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.

### **Participant Support Costs ([200.75](#), [200.456](#), [Appendix III, 2\(c\)](#))**

Participant support costs were traditionally allowed only by certain federal agencies or funding announcements. Under the Uniform Guidance, these costs are allowed with prior written approval of the funding agency, provided they are programmatically justified. The budget justification should describe the purpose for the costs and the way in which they will directly benefit the proposed project’s scope of work. These costs must be *excluded* when calculating the Modified Total Direct Costs (MTDC) to determine the overall project’s F&A costs.

### **Other Costs**

See the [Cost Principles Reference Guide](#), available on the [Uniform Guidance website](#), for an overview of additional, newly allowable costs. Finally, when developing your budget, you should also make sure that the “Other Costs” category has sufficient funds to cover any unexpected situations.

## **3. Voluntary Committed Cost Sharing**

“Cost Sharing” occurs when the University “shares” a portion of a sponsored project’s costs, e.g., by committing faculty or staff effort to a project at no cost to the sponsor or by waiving all or a portion of F&A costs. Voluntary Committed Cost Sharing (VCCS) is cost sharing that is not required by the sponsor, but is explicitly pledged and included in the proposal.

Under the Uniform Guidance, funding agencies are prohibited from considering VCCS in the merit review process ([200.306](#)). The National Science Foundation specifically prohibits VCCS in proposals, unless specified in the funding opportunity announcement. Other federal agencies may publish their own regulations concerning VCCS, although they must follow the Uniform Guidance regarding the prohibition of considering VCCS in reviews.

University policy *strongly discourages* including VCCS in proposal budgets, except where required by a funding agency. VCCS has an adverse effect on the University’s recovery of F&A costs. In addition, once VCCS is included in a proposal, if awarded, it must be tracked and is auditable. Since the federal agencies cannot consider VCCS in assessing a proposal’s merit, VCCS will not increase the likelihood of an award.

### **Additional Information**

For additional information on the Uniform Guidance, visit the [ORAA Uniform Guidance Website](#).