RESEARCH COMMUNITY ANNOUNCEMENT
Uniform Guidance Changes

On December 26, 2014 the Uniform Guidance issued by the Office of Management and Budget (OMB) was implemented. This Uniform Guidance governs the expenditures of funds and management of Federal awards. In the new guidance many of the administrative requirements stayed the same; however, there are some important changes that the research community should to be aware of to ensure compliance. Following are some of the changes that require adjustments or additions to current procedures.

Section 2 CFR 200.314—Supplies, 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 any other Federal award, the non-Federal entity must retain the supplies for use on other activities or sell them but must in either case, compensate the Federal government for its share.” Reporting of unused supplies will be included on the Report of Final Expenses form which is prepared and submitted by your Research Center/Department at the end of the award. To ensure we are in compliance with the new guidance, Section 5 has been added to allow the Principal Investigator to list residual supplies with an aggregate value of over $5,000 and to describe their intended use. If the residual supplies inventory is designated for use on a continuing award or for other federally supported activities, the Principal Investigator has a fiduciary responsibility to ensure the “first-in first-out” inventory method is used. Section 3.15.15 of NMSU’s Business Procedures Manual, Sponsored Projects Accounting—Expenses for Grants, Contracts, and Gift Indexes, has been revised to include the implementation of this new administrative requirement.

Section 2 CFR 200.453—Materials and Supplies costs, including costs of computing devices, now allows for computing devices (laptop and desktop computers and associated supplies) to be charged as direct costs for devices that are essential and allocable, but not solely dedicated to the performance of the federal award. In order to determine if a materials or supplies cost is essential and allocable, written justification will be required at the proposal preparation stage to ensure the expense is clearly defined in the award budget.

Section 2 CFR 200.413—Direct Costs, allows the charging of administrative/clerical salaries as a direct charge, but only if all of the following conditions are met: 1) Administrative salaries are integral to the project or activity, 2) Individuals can be specifically identified with the project or activity, 3) Costs are explicitly in the budget or have prior written approval of the Federal awarding agency, and 4) The costs are not also recovered as indirect costs. Institutions must ensure proper sponsor agency approvals are in place prior to directly charging administrative and clerical salaries to an award and written justification will be required at the proposal preparation stage to ensure expenses are clearly defined in the award budget.

Sponsored Projects Accounting can assist with any questions you may have or provide additional information if needed. Please contact us at spa@nmsu.edu. Thank you.