

University of Tennessee

Uniform Guidance

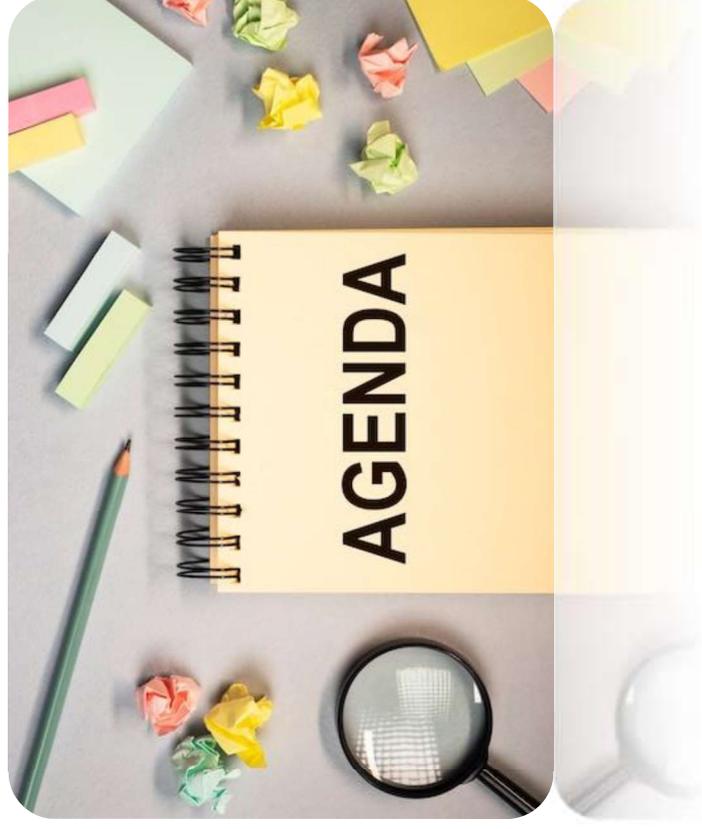
November 2024



THE UNIVERSITY OF
TENNESSEE
KNOXVILLE



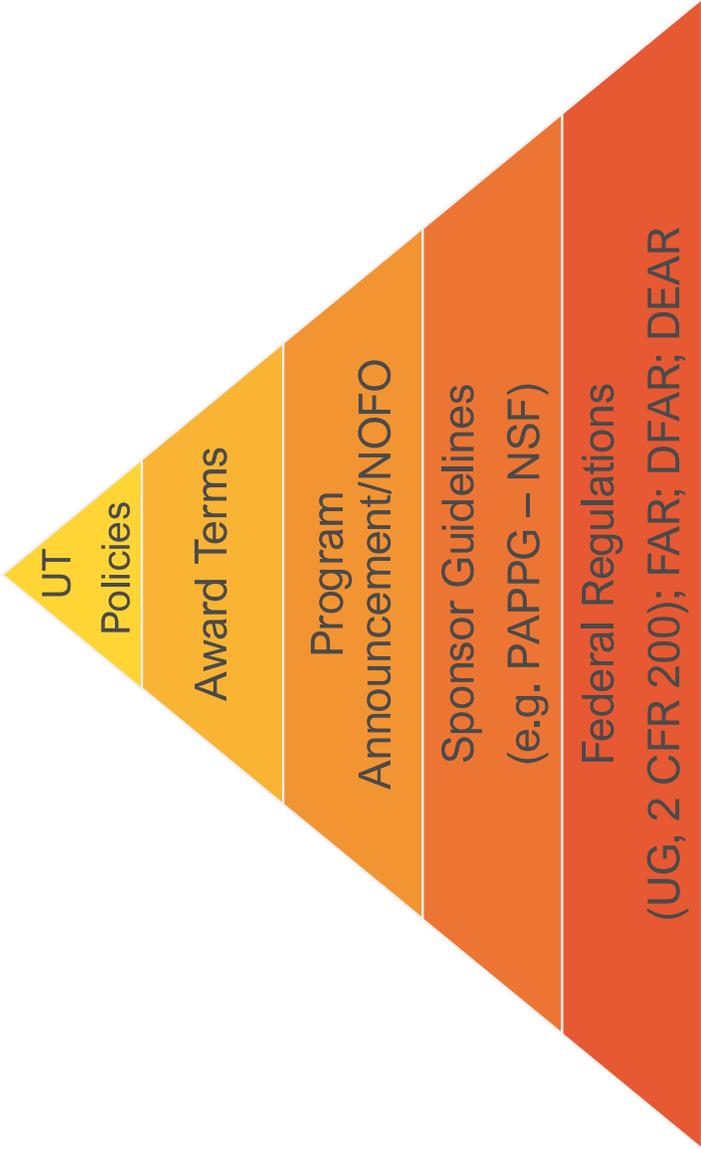
- **Overview**
- **Pyramid Review**
- **Key Impacts**
- **Resources**
- **Q&A**



Uniform Guidance Update Overview

- What is Uniform Guidance?
 - UG, 2 CFR 200, Cost principles, circulars
- Reasons for changes?
 - Burden reduction, clarifications
 - Threshold changes
 - Simplifying language and program requirements
 - Clarifying allowable costs and requirements

Guidance Framework Limitations



General Terminology, Implementation Timeline

Notable terminology changes:

- Cost sharing = matching
- NICRA = Negotiated indirect cost rate agreement
- Indirect costs not F&A
- Funding opportunities now called NOFOs*

***DASH terminology:**

- **Matching (UG) = Internal Funds (DASH)**
- **Indirect Costs (UG) = Burden Cost (DASH)**

Changes in Limits and Thresholds

UG Changes Effective 10/1/2024		
Subject	Change	Impact
De Minimis Rate	Increases from 10% MTDC to 15% over MTDC	Subrecipients without a negotiated IDC rate may receive more indirect costs than may have been included in the original proposal budget.
Fixed Price (Sub) Awards	Increased from \$250,000 to \$500,000 Clarifies entitlement of unexpended funds	UT may choose to issue more fixed price subawards, which requires less financial monitoring but more performance monitoring of subaward recipients.
Equipment	Increased threshold of equipment capitalization from \$5,000 to \$10,000	Requires UT policy revision before change allowed.
Participants	New Broader Definition, Prior approval to add PSC removed	More types of project engagement eligible to be considered Participant Support Costs.

Key Takeaways:

- Equipment/Supplies/Sub MTDC Exclusion: **Will require changes to UT policies and updated Negotiated Indirect Cost Rate Agreement (NICRA)**
- UTK is exploring fixed amount subawards and developing tools to assist in proposing/receiving them.
- Increased de minimis rate is effective now, but no additional funds are expected from agencies

Subaward MTDC Exclusion

- Current: UT recovers indirect on first \$25k of each outgoing subaward
- Future: UT will recover indirect on first \$50k of each outgoing subaward
 - UT cannot implement this change until its new NICRA is in place, expected July 2025 or later.

For Submitted Proposals and Awards Post-NICRA (expected 2025)		
Subject	Change	Impact
Subaward MTDC Exclusion	Threshold changes from \$25,000 to \$50,000	None at this time. Requires updated NICRA. Threshold remains \$25k.

De Minimis rate

- Current: UT De Minimis rate is 10% MTDC
- Future: De Minimis rate increase to 15% MTDC
 - UT cannot implement this change until its new NICRA is in place, expected July 2025 or later.

For Submitted Proposals and Awards Post-NICRA (expected 2025)		
Subject	Change	Impact
De Minimis Rate	Increases from 10% MTDC to 15% over MTDC	Subrecipients without a negotiated IDC rate will receive more indirect costs than may have been included in the original proposal budget.

Equipment Threshold

- Current: UT's maximum capitalization and fair market value of equipment threshold is \$5k
- Future: Increase to \$10K
 - UT cannot implement this change until its new NICRA is in place, expected July 2025 or later.

For Submitted Proposals and Awards Post-NICRA (expected 2025)		
Subject	Change	Impact
Equipment	Increased threshold of equipment capitalization from \$5,000 to \$10,000	Requires UT policy revision before change allowed.

Effective Dates of Threshold Changes for UT

Negotiated Indirect Cost Rate Agreement (NICRA) negotiated prior to October 1, 2024, must continue to be honored by both Federal agencies and recipients. OMB encourages **but does not require** cognizant agencies for indirect costs to accommodate requests to renegotiate existing NICRAs that are in effect beyond October 1, 2025, to reflect the new MTDC base.

Why it matters?

- Fed agencies must use new UG for awards issued 10/1 or later .
- New increments will be under new rules. Old increments remain under the old guidance.
- Updated terms with revised guidance must be flowed down to subs.
- **Agencies do not have to add money to awards to accommodate changes.**

Allowability of Close-out cost after Period of Performance

- The recipient or subrecipient may charge the award during closeout for the costs of **publication or sharing research results** if the costs were not incurred during the period of performance.
- Sponsors may not allow these expenses.

Why it matters?

- Pre-award will need to know if such costs are allowed by sponsors
- Awards and Post-award accounting will need to verify in award documents
- Post-award accounting will need to consider these costs in our closeout process to determine allowability per UG changes

Closeouts – Subs & Timeline

- When a subrecipient does not have a final indirect cost rate covering the period of performance, a final financial report must still be submitted to fulfill the closeout requirements.
- The recipient must submit a *revised* final financial report when all applicable indirect cost rates have been finalized.

Why it matters?

- Overdue subrecipient reporting may cause late closeout.
- Failure to complete timely closeouts may result in unilateral closure by the funding agency and will report this to FAPIS/sam.gov.
- No guidance provided on how to notify sponsor.

Required Certifications

- All tiers of subawards must now certify the accuracy of their proposals, invoices, and financial reports:
 - *“I certify to the best of my knowledge and belief that the information provided herein is true, complete, and accurate. I am aware that the provision of false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative consequences including, but not limited to violations of U.S. Code Title 18, Sections 2, 1001, 1343 and Title 31, Sections 3729-3730 and 3801-3812.”*

Why it matters?

- UTK will add certification language to subaward form
- We expect FDP to update their form, but need to consider certification if this doesn't happen soon
- Add new language in subaward agreements to ensure compliance for technical and financial reports, if applicable.
- Explore potential gap on invoices and financial reports to include certification statement

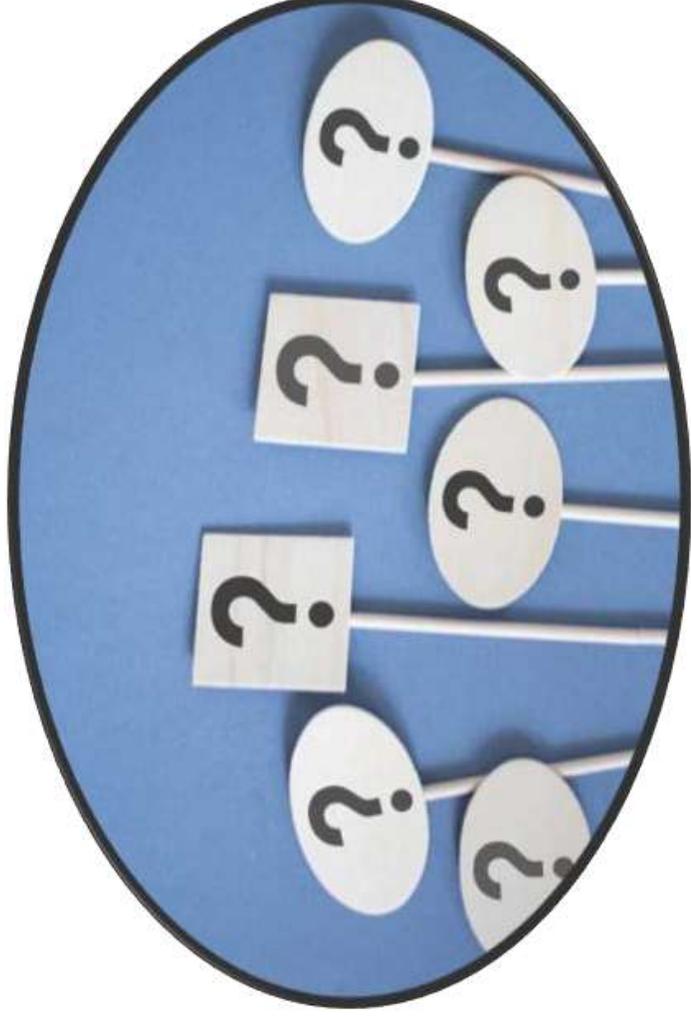
Participant Support Costs

- New definition of participants (there was no definition in previous UG):
 - Participant **generally means** an individual participating in or attending program activities under a Federal award, such as trainings or conferences, but who is not responsible for implementation of the Federal award. Individuals committing effort to the development or delivery of program activities under a Federal award (such as consultants, project personnel, or staff members of a recipient or subrecipient) are not participants.
 - **Examples of participants may include community members participating in a community outreach program, members of the public whose perspectives or input are sought as part of a program, students, or conference attendees.**
- Revised definition participant support costs (PSC)
 - Participant Support Costs means direct costs that support participants (see definition for Participant in § 200.1) and their involvement in a Federal award, such as stipends, subsistence allowances, travel allowances, registration fees, temporary dependent care, and per diem paid directly to or on behalf of participants.
- Participant support costs no longer require prior approval for inclusion in an award budget
- Prior approval to rebudget participant support costs into another category still required

Cost Share

- Voluntary committed cost share may not be used as a factor in merit review of federal research proposals "unless authorized by Federal statutes or agency regulations."
- Federal agencies or pass-through entities must accept any cost-sharing funds, including cash and third-party in-kind contributions, as well as funds committed by the recipient, subrecipient, or 3rd parties, as part of the contributions to a program when the funds meet the conditions listed in 200.306.
- OMB allows, but doesn't require, voluntary cost share to be factored as merit criteria on non-research Federal grants at the agency's discretion.

Questions



Graduate Research Assistant Salary increase - FY26

Appointment length	25%	33%	50%
9 months	\$13,248	\$17,487	\$26,496
12 months	\$17,664	\$23,316	\$35,328

- 50% (or ~20 hours a week) is considered full-time for graduate assistants
- Effective 8/1/2025
- [Link](#)

Fringe

Employee Group	Fringe Benefits Rate
Regular	35.2%
Medical Residents	20.3%
Graduate Student Employees	11.5%
Temporary Employees	7.9%
Student Employees	1.5%

Resources

- [Federal Register :: Guidance for Federal Financial Assistance](#)
- [COFFA J Uniform Guidance: Title 2 of the Code of Federal Regulations](#)
- [COGR 5th Look Implementation Guidance](#)
- [DRA/Financial Management and Compliance \(csod.com\)](#)
- <https://acrobat.adobe.com/link/review?uri=urn%3Aaid%3Aaid%3Ausc%3AUS%3A1c4eddd9-1844-3b54-9fd3-1b523ca3004a>
- UG Webinars – YouTube
 - [Webinar—Extreme Makeover: Uniform Guidance 2 CFR Edition – Proposed Revisions with Gil Iran \(youtube.com\)](#)