

Major Uniform Guidance Changes to UT Fiscal Policy

| Policy and Major Changes | Date Issued |
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| <p>FI0205 Sponsored Projects (formerly named <i>Sponsored Grants and Contracts</i>)</p> <ul style="list-style-type: none"> • Sections on direct costs, facilities and administrative costs, subcontracting, and salaries were updated and transferred to existing policies (e.g. FI0230) or formed the basis of new policies (e.g. FI206 Sponsored Projects – Distinguishing Direct Vs Indirect Costs.) • The policy was updated throughout to reflect current university practices on invoicing, account creation, and account administration. • Multiple WBS elements may be established for a project, depending on the circumstances of the award (examples included.) • Failure to meet sponsor closeout deadlines can result in the university’s inability to collect all applicable costs of the sponsored project. • At closeout, the university must compensate the government for leftover supplies exceeding \$5,000 in total aggregate value which are not needed for any other federal award. | December 26, 2014 |
| <p>FI0206 Sponsored Projects – Distinguishing Direct vs Indirect Costs (<i>new policy</i>)</p> <ul style="list-style-type: none"> • Clerical and administrative salaries <ul style="list-style-type: none"> ○ Clerical and administrative salaries are normally considered indirect costs, but can be charged as direct costs if they meet specific requirements. ○ Clerical and administrative salaries charged to sponsored projects are not intended to be additional pay or overtime. The amount or percent effort identified in the proposal and worked during the period of performance will be paid directly from the grant as part of the employee’s base pay at no more than their regular hourly rate. ○ Overtime pay is not normally allowed on federal grants and contracts. • Computing devices charged as direct costs do not have to be solely dedicated for use on the grant under which they are funded. • The chart containing examples of direct and indirect costs was updated to identify costs which require documented prior approval from the sponsor. • A new PI Quick Guide attachment summarized major changes in the Uniform Guidance that affect proposal budgets and the charging of direct costs | January 20, 2015 |
| <p>FI207 Sponsored Projects – Salary Policy (<i>new policy</i>)</p> <ul style="list-style-type: none"> • Salary information previously in <i>FI205 Sponsored Projects</i> formed the basis of this new policy • Information was added about salaries of students, adjunct appointments, consultants, and visiting scholars • Institutional Base Salary was defined, including the Wage Types included in it • The policy identifies specific IRIS transactions used in sponsored project pay actions (e.g. <i>salary transfer transaction</i>; <i>ZPADDPAY000 transaction</i>) • Salary transfer transactions must be received by the Payroll Office by the 15th day of the following month • To aid in sponsored project budgeting, the policy identifies the number of work hours in a fiscal year (1,792) and an academic year (1,344.) | March 1, 2015 |

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| <ul style="list-style-type: none"> • Academic year supplemental/extra-service pay is allowed on federal or federal flow-through awards in specific situations (e.g. for consulting across departmental lines that is beyond the scope of the employee’s normal duties, and performed outside the employee’s normal working hours) • Overtime pay is not normally allowed on federal sponsored projects • Clerical and administrative salary charged to sponsored projects is not intended to be additional pay or overtime. The amount or percent effort identified in the proposal and worked during the period of performance will be paid directly from the grant as part of the employee’s base pay at no more than their regular hourly rate. | |
| <p>FI 0208 Sponsored Projects – Federal Salary Rate Limitation <i>(new policy)</i></p> <ul style="list-style-type: none"> • This policy applies to sponsored projects that have a salary limit set by the federal government (e.g. NIH grants) • Salary in excess of a limit: <ul style="list-style-type: none"> ○ should be identified during creation of the proposed budget, and tracked during the award ○ is an unallowable cost that cannot be charged to a sponsored project account ○ may not be used to meet mandatory cost sharing obligations on the award • The P.I. and/or Department are responsible for ensuring compliance with any sponsor-imposed salary limits on awards. • Employees paid from a salary-limited award will receive their full university salary for time worked. The Department pays an employee’s earned salary in excess of the limit from a non-federal source (e.g. the Department’s e-account.) • When completing effort reporting, the reported percentage of effort for an individual over the salary limit must represent a reasonable estimate of effort expended on the project, not the percentage of salary charged. A variance code should be used to capture the percentage not charged to the award. | April 1, 2015 |
| <p>FI0210 Sponsored Projects – Cost Sharing</p> <ul style="list-style-type: none"> • Voluntary committed cost-sharing it is not expected and cannot be used as a factor during merit review of applications for research funding. It can be considered only if it is in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity. • Unrecovered indirect costs may be used as match only with prior approval of the government. | March 1, 2015 |
| <p>FI0215 Sponsored Projects – Effort Certification</p> <ul style="list-style-type: none"> • Effort certification concerns the full work load of an individual, including sponsored and non-sponsored activities. • The policy was revised to incorporate Uniform Guidance references and reflect current university-wide certification processes. • Salary cap provisions apply to any agency that imposes a salary cap. (Originally this section concerned NIH only.) | December 26, 2014 |
| <p>FI0220 Cost Transfers</p> <ul style="list-style-type: none"> • All charges, including salaries, must have appropriate documentation and must be processed within 60 days after the sponsored project end date to ensure timely submission of final financial reports • Each campus has established procedures for complying with the policy | June 1, 2015 |

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| <ul style="list-style-type: none"> • Cross-references referring to new or updated fiscal policy were added • Sections were reorganized to improve focus and clarity | |
| <p>FI0225 Sponsored Projects – Code of Business Ethics For contracts subject to FAR 52.203-13 and 52.203-14:</p> <ul style="list-style-type: none"> • The university must distribute copies of the policy to everyone working on the project, including subawardees, within 30 days of contract award. • The university must display the government’s fraud hotline poster in common areas where work on the project is being performed, and display an electronic version of the poster on the UT website. • Everyone working on the project must complete business ethics training within 90 days of contract award. | November 1, 2014 |
| <p>FI0230 Sponsored Projects – Subaward Origination and Subrecipient Monitoring (formerly named <i>Subrecipient Monitoring</i>)</p> <ul style="list-style-type: none"> • The policy was expanded to specify procedures and responsibilities for developing, executing, and monitoring subawards. • New attachments to the policy provide guidance on: <ul style="list-style-type: none"> ○ distinguishing subawardees from vendors and consultants ○ conducting risk assessments of proposed subrecipients ○ optional requirements which campuses may consider placing on high-risk subrecipients ○ minimum subaward content required by the Uniform Guidance • The university must pay subrecipients within 30 calendar days of receipt of an acceptable invoice. • Subawards must include the subrecipient’s federally-negotiated indirect cost rate or, if the subrecipient does not have a negotiated rate, a <i>de minimis</i> rate of 10% of modified total direct costs. • Fixed-priced subawards of up to \$150,000 are allowable in some circumstances, with prior written approval of the federal sponsor. | December 1, 2014 |
| <p>FI 0235 Sponsored Projects - Program Income</p> <ul style="list-style-type: none"> • In general, program income revenue should be used before expenses are reimbursed by the sponsor. • Closeout and records retention information was added • References to the Uniform Guidance were added, and terms and examples were updated to correspond with the Uniform Guidance • References to university offices were made consistent with names used throughout UT fiscal policy | May 1, 2015 |
| <p>FI0405 Purchasing - General Policies Revision has been deferred for the moment, as the federal government has delayed implementation of new Uniform Guidance terms related to Purchasing.</p> | Deferred (no changes may be needed) |