Dear UNH Research Community,

Following up on an earlier communication from the Senior Vice Provost for Research, Jan Nisbet, and the CIO and Associate VP for Finance and Administration, Joanna Young, I am writing to provide an update on the UNH effort to implement the Uniform Guidance issued by the Office of Management and Budget (OMB). As a reminder, the Uniform Guidance represents a significant change in the requirements applicable to receiving and managing federal funds, including contracts and grants. The full text of the guidance can be found in the Federal Register:  https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards.

Like other research institutions, UNH is reviewing and prioritizing sections of the guidance based on the anticipated impact to research operations. The topics that follow below have been selected for early consideration. The bullet points under each topic describe the revisions that may necessitate new business processes, systems, and policies.

**Cost Sharing**
- Removes the expectation that cost sharing be included in proposals (unless required by regulation and specified in the notice of funding opportunity).
- Specifies that cost sharing may not be considered as part of the merit review process (again, unless required by regulation and specified in the notice of funding opportunity).

**Purchasing**
- Requires the use of five specific procurement methods (micro-purchase (< $3,000); Small purchase (> $3,000 but <$150,000); sealed bid; competitive proposals; and noncompetitive proposals).
- Establishes a $3,000 threshold for pricing competition that would supersede the $35,000 USNH threshold.

**Direct Costing**
- Administrative and clerical salaries can, under certain circumstances, be directly charged without the need to document “unlike circumstances.”
- Computing devices can be directly charged without having to document that their use is exclusive to the sponsored program.
- The cost of temporary dependent care that directly results from travel is allowable provided that: (i) costs result directly from travel on a Federal award; (ii) costs are consistent with documented travel policy for all travel, including non-sponsored travel; and (iii) costs do not extend beyond the travel period.

**Facilities & Administrative (F&A) Costs (aka Indirect Costs)**
- Establishes a transparent process that agencies must use to justify paying less than negotiated F&A rates.
- Requires that subrecipients be paid their negotiated rates.
• Allows a 10% de minimus rate for subrecipients without negotiated rates.
• Removes participant support costs from MTDC base (similar to existing NSF model).

Subcontracting
• Requires UNH to evaluate each subrecipient’s risk of noncompliance with federal statutes, regulations, and the terms of award.
• Requires UNH to review (and document) a subrecipient’s financial and programmatic reports to ensure federal funds are used for authorized purposes, in compliance with federal requirements, and in furtherance of the performance goals.

Although we want to provide additional guidance at the earliest opportunity, the specifics of how these changes will be implemented by the federal granting agencies is still largely undefined. Also, a broad coalition of grantee communities, including universities, is currently working to convince the OMB to delay implementation of certain requirements (i.e., Purchasing) and to suggest technical corrections in the requirements where needed.

Finally, while streamlining processes and reducing administrative burden are two of the goals that launched the Uniform Guidance, another set of goals: reducing fraud, waste, and abuse, have started to dominate the conversation and will likely play a significant role in how the granting agencies implement regulations and how UNH develops compliant business processes. As always, we welcome your questions and appreciate any feedback you care to provide.

Regards,

Victor G. Sosa

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