

Northwestern

Office of Management and Budget (OMB) Uniform Guidance (UG) Northwestern Implementation Plan

Charging Administrative/Clerical & Programmatic Salary Costs	
200.413 200.430	<p>Administrative and clerical salaries may be proposed, budgeted, and charged on resulting awards in certain circumstances where it can be demonstrated that these costs are integral to the project activity.</p> <p>Administrative and clerical charges should still not typically be direct charged, but the UG adjusts the rules governing “major project or activity” and indicates that such charges may be budgeted if the services are “integral” to a project or activity; the individuals involved can be specifically identified with the project or activity; such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and the costs are not also recovered as indirect costs.</p> <p>Principal Investigators (PIs) and/or departments should add appropriate justification to proposals to facilitate the required agency approval. Agency approval for these costs will be required at award stage if costs were not set forth in the proposal.</p>
Computing Devices	
200.33 200.48 200.89 200.439 200.453C	<p>Computing devices (under \$5,000) are now classified as supplies. Computing devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award may be proposed, budgeted, and charged on resulting awards.</p> <p>Computing devices may be direct charged to the project or activity if the machines are essential and allocable to the project in that they are necessary to acquire, store, analyze, process, and publish data and other information electronically and the project does not have reasonable access to other devices or equipment that can achieve the same purpose; devices may not be purchased for reasons of convenience.</p> <p>Computing devices over \$5,000 should be proposed as capital equipment. Software over \$5,000 is also an asset that may be capitalized.</p> <p>PIs and departments are responsible for justifying whether or not the device is “essential” and to what extent the cost of the device is allocable to the sponsored project. This justification should be included in the proposal or documented at the award stage.</p>
Procurement	
200.317 200.318 200.319 200.320	<p>Northwestern’s effective date for implementation of the new Procurement Standards is September 1, 2017. A second year has been added to the grace period for implementation of the Procurement Standards of the UG. In the interim, the OMB Circulars will apply to grants and cooperative agreements.</p>

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	<p>Northwestern emphasizes the use of Preferred Vendor Contracts for all purchases. For purchases between \$3,000 and \$150,000, departments and schools or the Purchasing Office may manage the process of soliciting bids and making an award decision. For purchases over \$150,000, the Purchasing Office may manage the formal process of sending out a Request for Proposals (RFP) for bids and proposals, as well as coordination of evaluation and award decision.</p> <p>Procurement card (P-card) single transaction limit may be adjusted from \$5,000 to \$3,000.</p> <p>Engagement of consultants on sponsored projects may generally be viewed as a procurement transaction. As such, changes to the process associated with engaging and paying consultants is under review.</p>
<p>Subrecipient Monitoring</p>	
<p>200.207 200.330 200.331 200.338 200.521</p>	<p>The Northwestern Subcontracting on Sponsored Programs Policy was revised to comply with the UG requirements, including addressing the need for increased scrutiny in monitoring subrecipient activity.</p> <p>Additional emphasis was placed on distinguishing between subrecipient categorization/selection and vendor categorization/selection (procurement actions), and documenting these decisions.</p> <p>While many of these changes will be managed centrally, any changes related to review of technical and financial reports (Northwestern must now ensure mechanisms for documenting reviews of these reports for audit purposes) may ultimately require increased engagement at the PI and/or department level.</p>
<p>Internal Controls</p>	
<p>200.303</p>	<p>Northwestern continues to review and update existing documentation associated with internal controls in line with UG language in this area, including current Standard Operating Procedures (SOPs) for potential updates pertinent to the guidelines.</p> <p>The UG requires organizations to establish and maintain effective internal controls over Federal awards that provide reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the awards.</p> <p>The internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).</p> <p>The UG Frequently Asked Questions (FAQs) also contain the distinction between “should” and “must.” The word “must” is used throughout the UG to indicate requirements. The word “should” is used to indicate best practices or recommended approaches.</p>

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Compensation - Personal Services (Effort Reporting)	
200.430	<p>Standards for Documentation of Personnel Expenses require that charges must be based on records that accurately reflect the work performed. The records must be supported by a system of internal controls. The new regulations also emphasize written policies and procedures. Institutional Base Salary (IBS) must be utilized when charging Federal awards.</p> <p>Northwestern is evaluating changing institutional Effort Reporting Policies by actively assessing the status of implementations from our audit and higher education communities.</p>
Compensation - Fringe Benefits	
200.431	<p>Payments for unused leave when an employee retires or terminates employment are allowable as indirect costs in the year of payment.</p> <p>Northwestern has incorporated terminal leave benefits into the fringe benefits rate, as opposed to direct charging to the sponsored project at time of employee separation. This change was also reflected in Northwestern's Disclosure Statement (DS-2, Revision #3, dated June 29, 2015).</p>
Closeout	
200.343 200.344 200.345	<p>Northwestern is updating the correspondence sent to PIs and department representatives for the timely closeout of awards.</p> <p>Purchases made within the last 60-90 days of an award (particularly equipment or computing devices) must receive additional scrutiny. Sponsors typically require final reporting (financial, technical, and/or invention) within 90 or 120 days after the project period of the award.</p> <p>Please review the Award Closeout Checklist for additional guidance.</p>
Participant Support Costs	
200.453 200.456 200.750	<p>Participant support costs can be included for agency approval in proposal budgets. This includes stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects. Participant support costs are not routinely allowed on research projects but can be charged if the project includes an education or outreach component and the agency approves such costs. These costs should be explicitly listed in the proposal budget or approved by the funding agency after the award has been made.</p> <p>The Facilities & Administrative (F&A) rate for all such participant support costs across federal agencies is set at 0%.</p>

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	Northwestern will establish separate chart strings at the award stage to manage and track on any participant support-related costs.
Visa Costs	
200.463	<p>Short-term, travel visa costs (as opposed to longer-term, immigration visas) may be proposed, budgeted, and charged on resulting awards. Since short-term visas are issued for a specific period and purpose, they can be clearly identified as directly connected to work performed on a Federal award and can be directly charged. They must directly benefit the project and be allowable by the agency.</p> <p>Northwestern advises that initial long-term visa costs such as those that enable employment at Northwestern (e.g., “J” and “H-1B” visas) may be allowable as recruiting fee expenses only. The renewal cost of long-term visas is unallowable.</p>
Cost Sharing	
200.306	<p>Cost sharing is only required and evaluated in mandatory situations when a solicitation includes it as a requirement of eligibility. Voluntary cost sharing will not be a consideration in the review of applications.</p> <p>Only mandatory cost sharing or cost sharing that has explicitly been referenced in the project budget must be included in the organized research base for computing the F&A rate.</p>

This implementation plan document will be updated as sponsor interpretations and Northwestern policies and procedures are updated; please continue to check the [Northwestern UG page](#) for the most updated information, including the most current version of the [Northwestern Implementation Plan](#).