Immediate Changes to Grant Proposal Budgets

What faculty need to know (for now) about the Federal Government OmniCircular

“Computers are supplies”
“You might hire admin/clerical/outreach staff”
“Subawards are changing”
- **New guidelines for federal funds** are coming into effect. These affect proposals and allowable costs.

- **This document highlights changes** and has budget language and guidelines for proposals.

**Important Dates**
- **July 2014** – Proposals and budgets submitted should adhere to new requirements.

- **December 26, 2014** – These new guidelines will apply to all new awards and supplements.
Computing Devices: explicitly allowable under the supplies portion of the budget.

Sample budget justification

A <item> is necessary and essential for this project because <>. It will be used by <position name(s)> in <location> to carry out <project activities, tasks, objectives>.”

Guiding Principles

- Necessary computing devices may be charged in full to a sponsored project when **predominantly used** in support of the sponsored project. Indicators of predominant use include:
  - **Use by students or staff:** for student / staff positions supported by the project at a minimum full time equivalent of 0.5 each year of the requested project period.
  - **Use by faculty:** when faculty salary in any amount (including summer) is charged to the grant.
- Computers dedicated to lab or field use for data gathering and analysis or for computation are also allowable.
**Administrative / Clerical support costs** may now be allowed as a direct cost. Identification of a project as a Major Program is no longer needed, but these costs must pass some tests.

**Sample budget justification**

<Name>, <role> will support <define objectives, activities, tasks>. S/He will devote <X percent effort (or Y person months) per year annually.>

**Guiding Principles**

- Necessary and essential admin/clerical support is allowable when approved by the sponsor in the awarded budget or in writing. OSP will review and approve admin/clerical in budgets on a case-by-case basis.
- The PI/PD is responsible for conveying:
  - the necessity of admin/clerical support in the project description and budget justification.
  - that the individual’s work can be directly identified with and is integral to the project/activity.
  - That the work is not standard administrative duties routinely provided by SU personnel (this person’s job can’t be to fill out travel vouchers, etc.).
- OSP is responsible for communicating this expense (and post award approvals) to units within the Comptroller’s office to ensure it is excluded from F&A

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**Change:**

Admin/Clerical Support
Third party collaborations and acquisition of services: SU must document how it determines that a third party that is engaged in the project is either a subrecipient, a contractor, or a consultant.

Sample budget justifications

<Entity Name> will be a subrecipient on this project, lead by PI <name>. S/He will be responsible for <describe activities>, as well as supervising graduate students, and with PI <>, preparing progress reports and publications.

<Entity Name> will provide <X analytical services> for the project. The budgeted cost is based on published rates, less the educational discount. This will be supported by a fixed amount award.

Guiding principles

- The determination of whether a third party is a subrecipient or contractor is determined by the substance of the relationship with SU.
- Subrecipients supported by a fixed amount award (aka a fixed price agreement) must have prior approval of the awarding agency, if not conveyed in budget justification.

OSP may ask you additional questions or require that a form be completed to document its determination of subrecipient type.
**Procurement.** New standards will apply to all acquisitions at SU, regardless of fund source (Department budget, grant, etc.).

The Federal Government expects us to seek the best price for goods and services and to document our efforts.

- Items < $3,000 must be considered reasonable according to University procedures
- Items > $3,000 must be justified by an “adequate number” of price or rate quotes
- Items > $150,000 must have bids

- These requirements, combined with expected economies of ‘bulk’ acquisitions, may affect use of procurement cards.

- *Sole Source Justification.* One area of concern is that the new sole source provisions are more restrictive than under the previous regulations and SU policy; deviations require sponsor approval.

*Some Future Changes*
Publication costs. It will be possible to incur publication costs during the 90 day period following the award end and close-out. The logistics of this new option will be developed in the future.

Systems Changes. There will likely be changes to IT and other systems / processes which will be required to accommodate OmniCircular Requirements. This will be very challenging to get up to speed and may require patience.

Agency Implementation of their policies / regulations to adhere to the OmniCircular. The NSF has released its proposed implementation of the new requirements (you can google “draft PAPPG” – changes are highlighted – see Grant Proposal Guide II-14 to II-20, especially). The agencies are to stick closely to the new circular, unless statutorily mandated.
If you are trying new budget language, make sure to work ahead of time with OSP.

Departmental support staff have received some training and will be further informed, so consult with your administrative support.

Be alert to new documents and announcements about further changes.

This highlights document leaves out details. See the following pages for more information.
A cross-functional team has been meeting since May to study the Omni Guidance and identify those SU practices that must be modified to address these new provisions.

Team representatives are from AMAS, Comptroller’s Office, the faculty, the Office of Research, Purchasing & Real Estate. The team will engage other faculty and staff to participate in the creation of new or revised University guidelines.

Once complete, our efforts should result in more transparent, streamlined and efficient systems—reducing the time spent on grant administration.

If you have questions or comments about this project, please contact the faculty liaison: Alan Middleton, Department Chair and Professor of Physics at aam@syr.edu.

Project information will be posted at http://research.syr.edu.
Following pages:
More details for the interested
Federal guidance (2 CFR 200) governing virtually all aspects of the federal awards lifecycle – from the content of funding opportunities, proposal submission, award management, allowable costs, award close-out, to audit.

Is intended to streamline the administration of federal awards, and ensure that federal funds are efficiently and properly expended to achieve project outcomes. This will be achieved in part through clarity of expectations and standards of performance for awardees.

What is the OmniCircular?
The OmniCircular has provisions that will impact all facets of SU, specifically University-wide purchasing procedures, the allowability of certain costs, and management of subrecipients.

The OmniCircular expects the grantee to have in place strong internal controls, the processes that allow an organization to achieve its mission (i.e., research and education) by controlling and/or mitigating risks to operations, financial reporting, and compliance with federal and state laws and regulations.

SU faculty and staff should expect greater clarity and accessibility of policies and procedures pertaining to sponsored projects, professional development opportunities to facilitate employee awareness of and adherence to applicable processes, and systematic monitoring to facilitate continuous improvement.

The federal government expects that the outcomes of our collaborative efforts should reduce administrative burden on faculty.

Why should I care?
Familiarize yourself with current guidance on what’s allowable and ordinarily not allowable to charge directly to grants. These guiding principles won’t change much:


- [http://osp.syr.edu/budget-development/pre-award-allowability-decision-tree.html](http://osp.syr.edu/budget-development/pre-award-allowability-decision-tree.html)

- Check out some of the webinars available at: [https://cfo.gov/cofar/](https://cfo.gov/cofar/)

- Monitor [http://research.syr.edu](http://research.syr.edu) (OmniCircular Pages are coming soon)