### Additional information, recommended wording, and FAQs

**Charging Administrative and Clerical (200.413) and Programmatic Salary Costs (200.430)**

**At Time of Proposal**

- If it is determined that (1) the administrative and clerical services are essential, vital, or fundamental to the project or activity; AND (2) a minimum of 15% FTE* is budgeted in the grant’s budget year or there are documented special circumstances**, PIs/departments must explicitly flag or list in proposal budget justifications administrative and clerical costs that meet the direct charging definitions, explain why these costs are integral (SEE below for examples) to the project, and include the statement below shown in **bold**. For example:

  - “This award includes management of 15 subawards. This volume and the tight timeline of the project mandate more extensive monitoring than the services routinely provided by the department. A XX% time program assistant is needed to oversee the subrecipients’ activities, including working with SPA to perform risk assessment and subrecipient monitoring, ensuring timely delivery and review of invoices, acquiring progress reports and ensuring their review, resolving mid-project issues, monitoring compliance approvals, ensuring timely payments, and handling subaward modifications. **We are therefore requesting agency approval for a [List % time appointment here] [List position title here] as an administrative cost allowed under 2 CFR 200.413.”

* A percentage of effort below 15% FTE is unlikely to be viewed as “integral” to the project and may not be direct charged to it. Instead, these services are expected to be provided as a part of the services covered by indirect cost recovery.

** There may be special circumstances where a brief, intense period of administrative or clerical support is needed that does not equate to at least 15% time per year. If this is the case, explain the special circumstances. An example might include a conference that needs a high percentage of administrative support for a brief time immediately before or during the conference.

**Examples of projects that could meet the definition of “integral”:**

- Large, complex programs, such as General Clinical Research Centers, program projects, research centers, and other grants and contracts that entail assembling and managing teams of investigators from a number of institutions.
- Projects which involve extensive data accumulation, analysis and entry, surveying, tabulation, cataloging, searching literature, and reporting (such as epidemiological studies, clinical trials, and retrospective studies of clinical records).
- Projects that require making travel and meeting arrangements for large numbers of participants, such as conferences and seminars.
- Projects where the principal focus is the preparation and production of manuals and large reports, books, or monographs (excluding routine progress and technical reports).
- Projects that are geographically inaccessible to normal departmental administrative services, such as research vessels, and other field research remote from campus.
- Projects requiring significant amounts of project-specific database management; individualized graphics or manuscript preparation; human or animal protocols, and multiple project-related investigator coordination and communications.
**Uniform Guidance Implementation**

**AT TIME OF AWARD**

- If a proposal is submitted with the required statement/justification (as shown above), and an award is subsequently issued by the federal agency without explicitly deleting the administrative cost, the NOGA will reflect approval to charge the requested cost. After award issuance, unless prohibited by the terms of the award, any post-award addition in the percentage of effort that does not exceed 25% of the amount approved by the sponsor may be incurred without additional federal approval. An addition greater than 25% must be requested from the federal sponsor as shown below. Reductions may be incurred without agency approval; however, PIs must recognize that this may still be questioned by auditors since the proposal indicated that such costs were necessary. PIs should be prepared to explain how the function was performed or why it was no longer needed.

- An administrative or clerical employee’s time may be fully or partially charged to sponsored projects with the balance charged to non-sponsored fund sources.
  - For example, an employee’s effort might be direct charged 25% time to one PI’s project, 20% to another PI’s project, and 55% to non-sponsored activities.
  - If any portion of the employee’s time is direct-charged to a sponsored project, the employee must certify his or her effort via the effort reporting certification system (ECRT).

**AGENCY APPROVALS NEEDED DURING THE AWARD**

- If new or additional (over 25% of the amount previously approved) administrative or clerical support is needed during the life of the award, PIs must write a letter to their federal program officer and/or federal grants officer (as dictated by the federal agency) requesting approval to direct charge the new/additional administrative services. These letters must be signed by the PI, be prospective (not retroactive) and include the following:
  - The percentage of effort, time period needed, and estimated cost to the project (salary, fringe benefits, and associated indirect cost)
  - An explanation from what budget category the funds will be rebudgeted
  - How the services are integral to the project

The letter must be countersigned by SPA, who will then submit the request to the agency. PIs should allow a minimum of 30 days for an agency response. Upon receipt of an approval, SPA will issue an updated NOGA*.

* If the department wishes SPA to revise the budget upon receipt of agency approval, a PeopleSoft friendly budget should accompany the letter request. If no PeopleSoft friendly budget is included, it will be assumed that the Certified Approver will make the budgetary revision.

**F&A ON SUBAWARDS (200.331)**

- When UMN is the subrecipient, the pass-through entity (the organization that receives a federal award directly) is obligated to honor UMN’s negotiated F&A rate and may not impose additional restrictions or limitations on F&A unless the program has a statutory or other rate reduction approved by the head of the federal agency and publically posted per 2 CFR 200.414C.
- PIs may **not** negotiate rates with their subrecipients. Questions about appropriate F&A should be referred to SPA.
- If a federal program has a statutory F&A rate (e.g., certain USDA programs) or a posted F&A rate exception as outlined in 2 CFR 200.414C, the University will use the federally approved rate for its work and will allow its subrecipients to use that same rate. All remaining proposals must use the subrecipient’s federally negotiated rate or the 10% MTDC de minimus rate unless SPA has agreed to negotiate a rate with the subrecipient.
- SPA will, in rare circumstances, negotiate a rate with a proposed subrecipient when the subrecipient (1) does not qualify to receive a rate directly from the federal government (currently, this means the entity does not receive direct federal funding of $750K or more per year); (2) is expected to do at least $750,000 of business annually with UMN; and (3) there is reason to believe the F&A rate will be substantially higher than 10% MTDC. If SPA agrees to negotiate a rate, **60 days advance notice (before the proposal is due to SPA) is required.**
Entities that have previously received negotiated rates with UMN are grandfathered in and UMN will continue to negotiate rates with these entities until they qualify to negotiate a rate directly with the federal government.

**FIXED PRICE/RATE SUBAWARDS (200.332)**

**AT TIME OF PROPOSAL**

- The following justification statement should be added to competitive proposals containing subawards that are anticipated to be issued as fixed price and the cumulative estimated cost of the fixed price subaward is expected to be less than $150K:

  "The subaward to [Name the subrecipient here] documented in this proposal meets the criteria described in Subpart C- 200.201(b) and the University of Minnesota is therefore requesting prior agency approval of this Fixed Price Subaward. The University will consider this subaward approved if an award is made and no contrary guidance from the agency is included in the award notice."

- General research collaborations are not likely to be issued as fixed price. If you are uncertain about how to set up the subaward, consult your SPA GA for guidance, or omit the statement – you will be able to do an after-award-issuance request if it is determined that a fixed price subaward is needed.

- SPA reserves the right to make the final determination at time of subaward issuance whether to issue the subaward on a fixed price basis or cost-reimbursement basis. This is true regardless of whether a fixed price justification statement was included in the proposal.

- Consult with SPA if you have a situation where you would need multiple fixed price subawards to the same subrecipient to stay under the $150K threshold per subaward.