

Uniform Guidance - Prior Approval Requirements for Federal Awards

Prior approval, as used in this guidance, means the advance written approval of a specific cost or action to a particular federal award, by an authorized official of the sponsoring entity. Written approval must be in the form of a letter/memo provided as an email attachment or hard-copy from the authorized official; verbal approval during a telephone or in-person conversation is not sufficient. For Federal awards, the authorized official is typically a sponsor Grants Management Officer (GMO) assigned to the award.

The Uniform Guidance (UG), effective as of December 26, 2014, contains many of the same prior approval requirements included previously in OMB Circulars A-110 and A-133. UG [§ 200.407](#) contains a complete list of items related to seeking prior approval by the Federal agency. The table below provides general guidance for some of those items and is not intended to be comprehensive.

It is important to **carefully read the award agreement and all terms and conditions** to determine prior approval requirements or waivers specific to a particular award. **Additionally, all individuals involved must abide by applicable University policies and procedures.** Explicit inclusion of the items below in the NOGA or the approved budget may be congruent with obtaining Prior Approval. If inclusion is after-the-fact, separate written approval is required. Please contact your ORSP Grant Specialist for assistance.

Items associated with Prior Approval according to Uniform Guidance:

Item (Alphabetical Order)	Description		Reference (UG and RU)
	Generally Allowable/Unallowable:	Prior Approval is Required for:	
Cost Sharing	<p>Generally <i>allowable</i>, with stipulations:</p> <ul style="list-style-type: none"> Voluntary committed cost sharing (specifically effort that is not paid for by the sponsor) is not expected unless specified in the notice of funding opportunity. Mandatory cost sharing is required for consideration of the funding proposal and specified in the project budget. Cost sharing (including third-party contributions and donations) must be verifiable by Rutgers' records, specific to the individual award, necessary and reasonable for accomplishing project objectives, allowable per cost principles, and included in the project budget when required. 	<ul style="list-style-type: none"> Unrecovered indirect costs due to differences between the awarded indirect cost rate and Rutgers' standard negotiated indirect cost rate. This does not apply if the sponsor does not allow the federally negotiated rate. Changes in the amount of approved committed cost-sharing or matching. 	<p>UG: § 200.306 (c); § 200.308 (c)(7) RU: Policy</p>
Direct Costs – Admin. & Clerical Salaries	<p>Generally <i>unallowable</i> as direct costs without prior approval.</p> <ul style="list-style-type: none"> Salaries of Administrative and Clerical personnel are typically already recovered as part of Rutgers' indirect cost rate. 	<ul style="list-style-type: none"> Administrative and Clerical salary charges included as direct costs, with stipulations that such personnel costs are: <ul style="list-style-type: none"> Integral to a project/activity (≥ 25% FTE per RU Policy) Specifically identified with the project/activity. Explicitly included in the project budget. Not also recovered as indirect costs. 	<p>UG: § 200.413 (c) RU: Policy</p>

Item (Alphabetical Order)	Description		Reference (UG and RU)
	Generally Allowable/Unallowable:	Prior Approval is Required for:	
Direct Costs – Computing Devices	Generally <u>allowable</u> , with stipulations: <ul style="list-style-type: none"> Computing devices are essential and allocable, but not solely dedicated, to the performance of an award. 	<ul style="list-style-type: none"> Prior approval is not explicitly required by UG, but such devices should be included in the project budget. Consultation with ORSP is advisable. 	UG: § 200.453 RU: Policy
Entertainment Costs	Generally <u>unallowable</u> , including: <ul style="list-style-type: none"> Entertainment costs related to amusement, diversion, and social activities and associated costs. 	<ul style="list-style-type: none"> Entertainment costs which have a programmatic purpose. 	UG: § 200.438
Equipment & Other Capital Expenditures	Generally <u>unallowable</u> without prior approval.	<ul style="list-style-type: none"> General purpose equipment, buildings, and land. Special purpose equipment with a unit cost of ≥ \$5,000 Improvements to land, buildings, or equipment which materially increase their value or useful life. 	UG: § 200.439(b)(1) UG: § 200.439(b)(3)
Exchange Rates	Generally <u>allowable</u> but certain actions require prior approval.	<ul style="list-style-type: none"> Cost increases due to fluctuations in exchange rates, subject to availability of Federal funding. 	UG: § 200.440
Fund Raising & Investment Management Costs	Generally <u>unallowable</u> , including: <ul style="list-style-type: none"> Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions. 	<ul style="list-style-type: none"> Specific fund raising costs for the purposes of meeting the Federal program objectives. 	UG: § 200.442 (a)
Memberships, Subscriptions, & Professional Activity Costs	Generally <u>allowable</u> , including: <ul style="list-style-type: none"> Costs of membership in business, technical, and professional organizations. Costs of subscriptions to business, professional, and technical periodicals. Generally <u>unallowable</u> , including: <ul style="list-style-type: none"> Costs of membership in any country club or social or dining club or organization. Costs of membership in organizations whose primary purpose is lobbying. 	<ul style="list-style-type: none"> Costs of membership in any civic or community organization. 	UG: § 200.454 (c)

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Participant Support Costs	Generally <u>unallowable</u> without prior approval.	<ul style="list-style-type: none"> Direct costs for items such as 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. Transfer of funds budgeted for participant support costs to other categories of expense. 	UG: § 200.456 UG: § 200.308 (c)(5)
Pre-Award Costs	Generally <u>allowable</u> , with stipulations: <ul style="list-style-type: none"> Costs incurred prior to the effective date of the Federal award directly pursuant to the negotiation and in anticipation of the Federal award are: <ul style="list-style-type: none"> Allowable per award letter terms and conditions Necessary for efficient and timely performance of the SOW Allowable only to the extent that they would have been allowable if incurred after the effective date. Incurred up to 90 days prior to the effective date. 	<ul style="list-style-type: none"> Preaward costs incurred more than 90 days prior to the effective date. 	UG: § 200.458 & § 200.308 (e)(1) RU: Policy
Program Income	Generally <u>unallowable</u> , without prior approval. Other <u>unallowable</u> as program income (treated elsewhere): <ul style="list-style-type: none"> Taxes, special assessments, levies, and fines. Proceeds from the sale of real property or equipment. 	<ul style="list-style-type: none"> Prior approval is generally required for Institutions of Higher Education such as Rutgers. If prior approval is obtained, follow the relevant guidelines per award agreement and UG § 200.307. 	UG: § 200.307

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	Generally Allowable/Unallowable:	Prior Approval is Required for:	
Revisions to Budget & Program Plans	<p>Generally <i>unallowable</i> without prior approval, with exceptions for:</p> <ul style="list-style-type: none"> • One-time extension of the period of performance by up to 12 months, provided that: <ul style="list-style-type: none"> ○ The extension is not prohibited by terms and conditions of the award, does not require additional Federal funds, does not involve a change in the approved objectives or scope of the project, and is not being exercised merely for the purpose of using unobligated balances. ○ Written notification (including supporting reasons and revised period of performance) is given to the Federal awarding agency at least 10 calendar days before the end of the period of performance specified in the award. • Pre-award costs up to 90-days prior to the effective date of the award (see section above). • Carry forward of unobligated balances to subsequent periods of performance unless prohibited by the award agreement. 	<ul style="list-style-type: none"> • Extension of the period performance other than the one-time extension described previously (see column to the left). • Change in the scope or the objective of the project. • Change in key personnel. • Disengagement from the project for more than three months, or a 25% reduction in time devoted to the project by the project director or principal investigator. • Inclusion of costs that require prior approval in accordance with Subpart E- Cost Principles. • Transfer of funds budgeted for participant support costs to other expense categories. • Subawarding, transferring or contracting out of any work under a Federal award • Changes in the amount of approved cost-sharing or matching 	UG: § 200.308
Travel Costs	<p>Generally <i>allowable</i>, with stipulations:</p> <ul style="list-style-type: none"> • Expenses for transportation, lodging, subsistence, and related items incurred by employees traveling for official Rutgers business specifically related to the Federal award may be charged, provided that such costs are: <ul style="list-style-type: none"> ○ Charged via a consistently applied method (actual / per-diem / mileage / combination basis) for the entire trip and not for selected travel days. ○ Reasonable and consistent with those normally allowed in accordance with Rutgers' written travel reimbursement policies (please note that RU Policy excludes reimbursement for dependent care costs). • Short term travel visa costs which are critical and necessary to the conduct of the project, allowable and defined as "direct costs" under cost principles, and are consistent with Rutgers policy and cost accounting. 	<ul style="list-style-type: none"> • Travel costs of officials covered by § 200.444 "General costs of government" when they are specifically related to the Federal award. • Other travel costs such as foreign travel or recruiting costs often require prior approval per sponsor guidelines. Please review specific sponsor guidelines along with UG § 200.474 and § 200.463 before incurring such costs. 	UG: § 200.474 (a) ; § 200.463 RU: Policy