UNIVERSITY OF ALASKA
UNIFORM GUIDANCE WORKING GROUP

Section Number & Name: 200.427 Bonding Costs
A-21 Reference: J7

BACKGROUND INFORMATION:

A. Does the revised guidance contain new language? ☐ Y XX N

Specifically describe the new language and how it differs: See attached

B. Is the new guidance more or less restrictive than university processes? ☐ More ☐ Less

Specifically describe how it is more or less restrictive:

C. Cite any relevant system-wide policies/regulations/procedures:
None

D. Cite any MAU-level relevant processes or manuals:
None

E. Is there an impact to electronic systems (Banner HR/Finance, Web Timesheets, Effort Reporting, etc.)? ☐ Y XXX N

List specific system(s) impacted and method of impact:
_____

ACTION PLAN: Is specific action needed? ☐ Y – see below XXX N – no action needed

Recommended Action(s):

1. _____
2. _____
3. _____

UA responsible area requiring documentation of compliance:

Controller – Myron Dosch

200.427 Bonding costs.

(a) Bonding costs arise when the Federal awarding agency requires assurance against financial loss to itself or others by reason of the act or default of the non-Federal entity. They arise also in instances where the non-Federal entity requires similar assurance, including: bonds as bid, performance, payment, advance payment, infringement, and fidelity bonds for employees and officials.

(b) Costs of bonding required pursuant to the terms and conditions of the Federal award are allowable.

(c) Costs of bonding required by the non-Federal entity in the general conduct of its operations are allowable as an indirect cost to the extent that such bonding is in accordance with sound business practice and the rates and premiums are reasonable under the circumstances.

Deleted: 7.

Deleted: Government

Deleted: institution.

Deleted: institution

Deleted: . Included are such

Deleted: .

Deleted: institution

Deleted: 8. *Commencement and convocation costs.*¶ Costs incurred for commencements and convocations are unallowable, except as provided for in Section F.9¶