

Definition of Administrative (General Purpose) Items of Cost

Indirect (F&A) costs are incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to a particular sponsored project. Administrative Items of Cost include costs for the director's office, accounting, personnel and all other types of expenditures not explicitly classified as a facility cost. Uniform Guidance [2 CFR §200.414](#).

For some projects, certain Administrative (a.k.a. General Purpose) Items of Cost can be direct charged on a project as long as the costs are not also recovered in the indirect cost pools. Examples of these costs include administrative salaries, memberships, postage, office supplies, and telephone monthly line charges. Uniform Guidance [2 CFR §200.412](#), [2 CFR §200.413](#).

In order to charge one of these items of cost as a direct charge, both the institution (*consistent treatment*) and the sponsor (*prior approval*) must approve its treatment as a direct charge on the project. Incumbent for both approvals is explicit justification.

Direct Charge of Administrative (General Purpose) Items of Costs

	Salary Costs	Non-Salary Costs
Criteria ¹	The duties are: • Integral to the project (i.e. a person contributes at least 20% effort on project), AND • Specifically identified with the project or activity	The costs are not administrative in nature for the project, and are: • Specifically identified as pertinent to the project or an activity within it, AND • Clearly supported in tasks within the Statement of Work or sponsor requirements
Rule ²	The <u>Budget Justification</u> must: • Specify duties on the project; • The individual must allocate and charge effort of at least 20%; and • Include a specific exception request, including a reference to 2 CFR 200.413(c).	The <u>Budget Justification</u> must: Specify how the costs are used in or to further the Statement of Work; and The <u>Statement of Work</u> must: Specify or otherwise reference, via sponsor requirement or project task, requirements that necessitate the costs for this project.
Form A / CASE Committee Review Required	• The <u>Budget Justification</u> does not contain the requisite information, AND • An authorized representative of the sponsor has not provided prior, written approval for these charges on the project.	• The <u>Budget Justification</u> and <u>Statement of Work</u> do not contain the requisite information, AND • An authorized representative of the sponsor has not provided prior, written approval for these charges on the project.
myProposals / myResearch Portal Display	Administrative Salary Costs	Administrative Non-Salary Costs

NOTE: Based on the matrix above, a Form A might need to be completed. A blank version of this form can be found at - <http://sponsoredprograms.illinois.edu/resources/forms.html>.

** Questions on how to complete the form should be emailed to the CASE Committee at: spacaseforms@illinois.edu.

¹ The costs must always be otherwise allowable in accordance with [Uniform Guidance, Subpart E](#), including [2 CFR §200.403](#), state laws, and institutional policies.

² Only required if source of funds is federal, that is a federal sponsor or prime sponsor.

Frequently Asked Questions

1. Q: What items of cost are subject to additional scrutiny?

A: Items that are typically covered in the F&A cost pools. Additional information is available below:

Ref #	F&A Costs	When to Direct Charge these Costs
a	Administrative salaries - Secretaries, - Accountants, - Office personnel, - Purchasing agents, and/or - Administrative activities of directors.	Duties are integral to the project (and each allocates 20% or more effort in the period of performance). Position is specifically identified in the budget justification and specific exception request is included (UG reference 200.413 (c)). E.g. Administrative assistant who is arranging a significant amount of travel.
b	Communication costs	Costs are directly associated with scope of work or terms of the award E.g. Satellite phone for work in remote parts of the world.
c	Conference costs	Costs are directly associated with scope of work E.g. To disseminate results of work.
d	Equipment repairs and maintenance	Costs are directly related to technical equipment identified within scope of work E.g. To repair a vehicle used in fieldwork to continue operations.
e	Office Equipment & Furnishings	Costs are directly associated with scope of work or terms of the award E.g. Required to store samples or data (i.e., file cabinet) for extended period of time after period of performance completion.
f	Office Supplies - Pens, - Pencils, - Paper, - Dry Erase Markers, - File Folders	Costs are directly associated with scope of work or terms of the award E.g. To conduct a survey to collect feedback.
g	Printing / Photocopy	Costs are directly associated with scope of work or terms of the award E.g. To disseminate results of work.

2. Q: Under what conditions would it be appropriate to request administrative or clerical salaries as direct costs to my grant?

A: Direct charging of these costs may be appropriate if all four of the following conditions are met:

- (1)** Administrative or clerical services are **integral*** to a project or activity;
- (2)** Individuals involved can be specifically identified with the project or activity;
- (3)** Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
- (4)** The costs are not also recovered as indirect costs.

***Integral** is defined as essential to the completion of the project's goals and objectives, rather than necessary for the overall operation of the institution. Services are essential when they are vital or fundamental to the project or activity. In general, minimal effort contributions are not likely to be considered essential.

You may not include the salaries of administrative personnel conducting activities such as financial reconciliations, general clerical work, and proposal preparation, as these costs support overall institutional operations and must be treated as indirect (F&A) costs.

3. Q: What is the difference between Administrative Duties and Programmatic/Technical Duties?

A: Much like "There is no universal rule for classifying certain costs as either direct or indirect (F&A)" ([2 CFR §200.412](#)), a duty can be either administrative or programmatic depending on the work within each project.

However, the table below can guide you through this determination.

Programmatic/Technical Duties (Like Circumstance)	Administrative Duties (Unlike Circumstance)
Delivering special lectures about specific aspects of the ongoing activity	Travel and meeting arrangements
Writing reports and articles	Travel reimbursement
Developing and maintaining protocols (human, animals, etc.)	Purchasing activities
Managing substances/chemicals	Financial tracking and management
Managing and securing project-specific data	Data processing
Coordinating research subjects	Payroll
Participating in appropriate seminars	Human resources
Consulting with colleagues and graduate students	
Attending meetings and conferences	

4. Q: What should I include in my proposal to request approval for these costs?

A: Federal regulations require the PI to explicitly include direct costs for administrative or clerical salaries in the proposal budget and budget justification. The PI must explain why the salaries are integral or fundamental to the project or activity. The administrative or clerical staff member must be allocated at least 20% time or roughly eight hours per week to the project. The budget justification should include a detailed explanation of the work to be done for the project and an explicit request (shown in bold below). See FAQ #4 for additional details on what should be included in a budget justification.

An example is provided below:

This is a collaborative project involving over 200 individuals from 30 institutions in 10 countries. The project involves coordination of funding from U.S. Federal government agencies, along with funding from agencies in other partner countries. Our institution will oversee seven subawards to other U.S. institutions, perform data storage and analysis, coordinate annual collaborator meetings, and manage overall project operations. **We are requesting agency approval for a xx% time appointment for an administrative professional to be directly charged as an administrative cost in accordance with [2 CFR 200.413](#).**

5. **Q: What should be included in a budget justification for charging administrative/clerical salaries?**

A: A description of administrator's salary that is being proposed and what makes it integral to the sponsored project. This should include:

- a description of the administrator's role,
- how the administrator's effort relates to and benefits the project,
- the level of effort expressed as a percentage FTE or person months per sponsor instructions,
- the time period(s) in which the person will be working,
- any other information that will aid the sponsor in evaluating and funding the proposed salary.

6. **Q: My administrative/clerical staff person spends less than 20% of their time performing critical activities that support the project? Can I charge a portion of the salary to the project?**

A: In general, No. An assignment of less than 20% would not strongly support that the individual is integral and is specifically identifiable to the project.

7. **Q: Must these costs be approved by the Sponsor?**

A: Yes, an authorized representative of the Sponsor *must* approve the direct charging of administrative or clerical salaries and non-salary costs (if applicable). Costs must either be explicitly included in the approved budget or have prior written approval of the Sponsor.

PIs and departments are strongly encouraged to include these costs in the budget at the time of proposal in order to minimize risks. In some cases, including NIH, an agency may waive the requirement to obtain prior approval to re-budget for such costs. If agency approval has been waived, then the Dean's or Director's office must make a determination as to the need for direct charging of the salaries.

8. **Q: What if I decide after the project has started that I want to pay an administrative/clerical staff person on my award?**

A: If a need for administrative or clerical support arises after the project has been funded, re-budgeting for those costs will require prior approval of the awarding agency before an appointment to the grant is made. The request should include:

- An explanation as to why the salaries are integral or fundamental to the project or activity;
- Identification of the proposed amount of time (**a minimum of 20% time**) that the individual will spend on the project; and
- An explicit request to charge administrative/clerical costs (shown in bold in the example).

Here is an example of a request that might be approved by the funding agency:

A need has been identified for administrative or clerical support for this project. The survey responses have been much greater in number than anticipated, and the need to accumulate, analyze, and tabulate data has increased commensurate with our responses. We would like to allocate time for a staff person within our department to support these activities. **We are requesting agency approval for a xx% time appointment for an administrative professional to be directly charged as an administrative cost in accordance with [2 CFR 200.413](#).**

Written approval from the Sponsor must be received in order to charge the administrative or clerical salaries directly to the project.

9. Q: Can I charge office supplies directly to my sponsored project?

A: In general, office supplies are utilized in support of routine administrative activities and should be treated as F&A costs. The only exceptions are those wherein the purchase of the supplies is extensive in nature and can be specifically identified to the project. Office supplies may be charged directly to the project only when it can be demonstrated the items were (a) consumed completely in the course of the project **and** (b) used only in the conduct of the project and are not used for any other purposes.

Below are examples of situations where office supplies are **allowable** on the sponsored project:

- Office supplies used for large volume dissemination of a survey.
- Office supplies used as laboratory supplies which should be appropriately classified as laboratory supplies, such as envelopes used for research sample storage.

Below are examples of situations where office supplies are **unallowable** on the sponsored project:

- Items for personal use, such as facial tissues, hand soaps/sanitizers/lotions, disinfectant wipes, first aid products, cups/glasses/tableware/napkins are not allowable on sponsored projects unless unlike and documented circumstances support the direct charging of these items.
- Items that would likely be used for other purposes or not entirely consumed in the course of the project - wall clocks, calendars, waste cans, paper punches, University stationery, staplers, - should not be charged directly to sponsored projects.
- Items to "restock" supplies that were consumed in the course of the project's work in order to have an inventory of supplies on hand to use for other projects are unallowable.

10. Q: Can I charge computers or laptops directly to my sponsored project?

A: Computing devices costing less than \$5,000 that are essential and allocable may be charged as direct costs. The Uniform Guidance ([Section 200.453](#)) states that it is not necessary for the computing device to be solely dedicated to the performance of an award. Similar to OMB Circular A-21, a computing device will only be allowable as a direct cost if it is necessary, reasonable, consistently treated, and properly allocated. However, this does not mean that a laptop or iPad can be charged to every sponsored project.

This means the computing device must be:

1. Essential for the purposes of carrying out a specific objective of the sponsored project;
2. Above and beyond what is provided by the department; and
3. Charged to the sponsored project in some reasonable proportion relative to how much it is used for the award.

In addition, devices may not be purchases for reasons of convenience or preference. Computing devices must be itemized in the proposal budget and specifically addressed in the budget justification.

Computing devices purchased during the last six months of a project are subject to additional scrutiny and approval.

11. Q: Is toner acceptable as a direct charge?

A: Almost always never, due to lack of an acceptable cost allocation methodology.