



**Administrative Costs Charging on Federal Grants**

**Policy Objective:**

This policy establishes guidelines intended to support Principal Investigators (PI) and staff at the proposal preparation stage. This policy applies only to projects, which contain federal money, or agreement provisions, which cite the applicability of (OMB's) Code of Federal Regulations Part 200 —Uniform Administrative Requirement, Cost Principles and Audit Requirements for

Federal Awards (“Uniform anÂ r ’s ý  
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**Non-Personnel Administrative Costs**

Whenever non-salary administrative costs are to be charged, they must be justified explicitly and explained in detail. The costs must be essential to the project, which creates a special or unique need for the item that is clearly different from normal circumstances. For example:

- Office supplies that are used exclusively for specific project activities may be a direct cost charged to a project when appropriately described in terms of their proposed use.
- Computing devices, such as laptops, may be charged if it can be clearly demonstrated that they are essential to fulfilling project objectives (even if not used exclusively).

**Decision Tree – Charging Administrative and Technical Expenses to Federal Awards**

The chart below outlines the process of deciding if an administrative expense may be charged directly to a federal sponsor.

#	Question		
	Is the expense reasonable, allowable, and		



*charged to this project will be for services specific to the project, and not for general support of the academic activities of the faculty or department. In addition, time and effort charged to this project can be specifically identified to the project.*

In addition to this statement, a clear and compelling budget justification for those expenses must also be included.

The following key elements should be included in the budget justification, describing specific costs pertaining to the “major project”:

- a description of the expense or service;
- how it relates to and benefits the project;
- the anticipated cost;
- the time period in which it will be utilized; and
- any other information that will aid the sponsor in evaluating and funding the proposed item of cost.

In justifying administrative and clerical charges in proposal budgets, the following items also should be considered:

- The job title within the human resources system may imply that the effort is dedicated to administrative purposes. Is the nature of the work different from the general administrative work conducted for all sponsored projects? Are the charges necessary to meet the technical needs of the project rather than to support the administrative needs?
- The cost category (i.e., office supplies) may imply that the items are being used for administrative purposes. How will the items be used to meet the technical needs of the project? Explain in detail their relevance to the methods used in conducting the project.
- Can the proposed charges be easily and accurately documented as appropriate to the project? How will this be done?

**Updated: May 2019**