



**Charging General Administrative and Clerical Costs on Federally
Sponsored Projects # 2320.005**

INITIAL EFFECTIVE DATE:	LAST REVISION DATE:	RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT
February 2, 2004	March 26, 2021	Office of Research and Economic Development

POLICY STATEMENT

Salaries of administrative and clerical personnel, such as secretarial staff, receptionists, accountants, bookkeepers and other administrators, should normally be treated as Facilities and Administrative (F&A) costs and not charged directly to federally sponsored projects. Similarly, general administrative expenses, including office supplies, postage, toner, copy paper, local telephone charges and memberships, must normally be charged to F&A rather than directly to federally sponsored projects.

Only in certain rare instances may general administrative or clerical costs be directly charged to a federally sponsored project. To directly charge administrative or clerical salary or wages to a sponsored project, ALL of the following criteria must exist with reference to the administrative and clerical salary and wages budgeted to the project as determined by ORED:

- They must be explicitly budgeted in the proposal for the project and explained in the budget justification;
- They must be measurable and identifiable;
- They must go beyond the normal administrative departmental support; and
- They must be specifically identified with the project or activity directly (i.e., the project’s technical mission).

SCOPE

University Community (faculty, staff and students)

REASON FOR POLICY

In instances where sponsored projects require personnel expenses normally identified as administrative costs, such costs may be charged to sponsored agreements as direct costs only when ALL of the following conditions are met (per 2 CFR 200.413(c)):

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.

Appendix A to 2 CFR Part 220 provides examples of circumstances where direct charging of administrative or clerical staff salaries may be appropriate:

Large, complex programs such as General Clinical Research Centers, Primate Centers, Program Projects, environmental research centers, engineering 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 clinical records studies).

Projects that require making travel and meeting arrangements for large numbers of participants, such as conferences and seminars.

Projects whose principal focus is the preparation and production of manuals and large reports, books and monographs (excluding routine progress and technical reports).

Projects that are geographically inaccessible to normal departmental administrative services, such as research vessels, radio astronomy projects, and other research field sites that are remote from campus.

Individual projects requiring project-specific database management; individualized graphics or manuscript preparation; human or animal protocols; and multiple project-related investigator coordination and communications.

These examples are not exhaustive nor are they intended to imply that direct charging of administrative or clerical salaries would always be appropriate for the situations illustrated in the examples. For instance, the examples would be appropriate when the costs of such activities are incurred in unlike circumstances, i.e., the actual activities charged directly are not the same as the actual activities normally included in the institution's facilities and administrative (F&A) cost pools or, if the same, the indirect activity costs are immaterial in amount. It would be inappropriate to charge the cost of such activities directly to specific sponsored agreements if, in similar circumstances, the costs of performing the same type of activity for other sponsored agreements were included as allocable costs in the institution's F&A cost pools. Application of



negotiated predetermined F&A cost rates may also be inappropriate if such activity costs charged directly were not provided for in the allocation base that was used to determine the predetermined F&A cost rates.

The Uniform Guidance states that each item of cost incurred for the same purpose be treated consistently in like circumstances either as a direct or an indirect cost (2 CFR 200.412, Classification of costs.) Direct charging of general administrative expenses, such as office supplies, postage, local telephone costs and memberships, is appropriate only when all of the following exceptional circumstances exist:

- The project has a special, non-routine, need for the item or service;
- The cost can be specifically identified with a particular sponsored project or can be assigned to a particular sponsored project with a high degree of accuracy, and directly benefits the sponsored project;
- Each expense to be direct charged is explicitly set forth as a budget line-item in the project proposal (For example, if a proposal contemplates direct charging of both postage and office supplies, the project budget must contain a specific line item for each category of cost); and
- The project sponsor approves the direct charging of the administrative costs, either through approval of the proposal budget or otherwise.

If general administrative and clerical costs are approved by ORED for direct charging to a sponsored project, Post-Award will set up the award in the PantherSoft Grants Module, identifying the attributes field(s) for the approved exemptions (e.g., postage, office supplies). During the life of the project, Post-Award will generate reports from PantherSoft that will identify the approved attributes and the corresponding account code to ensure that the charges are appropriately made. If the reports reflect that the charges were appropriately made, no further action will be required from the PI. If Post-Award finds that the charges were not appropriately posted, then the PI or PI staff may need to move the charges off the sponsored Project ID or request an approval for the charges via the exemption process above.

DEFINITIONS	
TERM	DEFINITIONS
F&A	Facilities and administrative charges (also referred to as “indirect costs”) on proposal budgets.
Major project	“Major project” is defined as a project that requires an extensive amount of administrative or clerical support, which is significantly



	greater than the routine level of such services provided by academic departments.
ORED	“ORED” is the Florida International University Office of Research and Economic Development.
PI	“PI” is the principal investigator.

ROLES AND RESPONSIBILITIES

PI - Principal Investigator and their respective department should review this policy before budgeting to ensure compliance.

ORED - responsible for promptly reviewing and conferring with the PI regarding any revisions needed for budget once the budget has been provided to ORED.

RELATED RESOURCES

2 CFR 200.413(c); Appendix A to 2 CFR Part 220Section F.6.b(2); 2 CFR 200.412

CONTACTS

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HISTORY

Initial Effective Date: Office of Sponsored Research Administration Faculty/Staff Guide for the Administration of Externally Funded Projects, INTERIM VERSION. Effective Date: February 11, 2004

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Revision Dates (*updates made to document*): March 7, 2012; March 26, 2021



**Charging General Administrative and Clerical Costs on Federally
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PROCEDURE STATEMENT

If a PI believes that he/she may directly charge any administrative or clerical costs and/or any other cost not normally permitted to be directly charged to a federally funded project, he/she must complete and sign the Direct Charge Exemption Form and forward the same to ORED as part of the proposal package prior to forwarding the proposal to the sponsor. The PI must provide the complete proposal, together with the Direct Charge Exemption Form, to ORED at least 5 business days prior to the sponsor deadline. ORED will determine whether the administrative and other costs may be directly charged and will note if the charges are approved or disapproved on the Direct Charge Exemption Form. ORED will then notify the PI of such determination.