

## **Exhibit C – Direct Charging Administrative Costs that are Normally Considered F&A**

### **1. Examples of Projects that May Allow Administrative Costs as Direct Charges**

Administrative and clerical salaries should normally be treated as F&A costs. It may be appropriate to directly charge administrative or clerical salaries for “major” projects or activities when the administrative or clerical salary is explicitly budgeted for and the individuals involved can be specifically identified with the project or activity. The following examples of “major projects” illustrate circumstances when it may be appropriate to directly charge federally sponsored projects for administrative costs:

- a. Large, complex programs, such as Clinical and Translational Science Award Programs, Primate Centers, Program Projects, environmental research centers, engineering research centers, and other programs that entail assembling and managing teams of investigators from a number of institutions;
- b. Programs that 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;
- c. Programs that require continual travel and meeting arrangements for large numbers of participants, such as conferences and seminars;
- d. Programs with a principal focus of preparing and producing manuals and large reports, books and monographs (excluding routine progress and technical reports);
- e. Programs that are geographically inaccessible to normal administrative services, such as sea-going research vessels, radio astronomy projects, and other research field sites that are remote from the campus;
- f. Individual programs requiring specific database management; individualized graphics or manuscript preparation; human or animal protocol; and multiple program-related investigator coordination and communications.

These examples are not exhaustive, and are not intended to imply that direct charging of administrative or clerical salaries/supplies will always be appropriate for the situations illustrated in the examples. When direct charges for administrative and clerical salaries/supplies are made, care must be exercised to

assure that costs incurred for the same purpose in like circumstances are consistently treated as direct costs for all activities.

## 2. Examples of Administrative Costs That May Be Direct Charged

Below is a list of costs that are normally considered F&A costs. For each cost, there is an explanation of when it may be allowable to direct charge these costs. If these costs are direct charged, the costs must meet the conditions stated in the policy (Section E Policy Statement). In addition, guidelines for other expenditures are listed in Exhibit E, Quick Reference for Sponsored Projects Expenditures.

### a. Memberships

Costs incurred for memberships in technical and professional organizations are treated as F&A costs. This does not refer to costs for attending a conference associated with a membership organization. There may be exceptional circumstances in which membership fees may be directly charged to federally sponsored awards.

| <b>Examples of when direct charging may be appropriate</b>                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Example of when direct charging may <u>not</u> be appropriate</b>                                                                                                                                                                                                       |
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| <p>a. Membership fees required to attend a conference, where the conference is directly related to the sponsored project. For example, a project requires the PI to present results at a conference and the conference requires participants to be members of the technical/professional organization sponsoring the event.</p> <p>b. Membership fee required in order to subscribe to a journal, where the subscription is necessary for the sponsored project.</p> | <p>a. Membership in a technical organization that is renewed every year for the PI and is used by the PI to be kept current on issues and develop a network with other PIs in the area of study. The subscription benefits multiple projects and possibly instruction.</p> |

b. Office Supplies

Normal administrative unit office supplies are treated as F&A costs.

| <b>Examples of when direct charging may be appropriate</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Examples of when direct charging may <u>not</u> be appropriate</b>                                                                                                                                                                                                          |
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| <p>a. "Office" supplies to be used in the field or the laboratory for recording research data, storing research data, or other activities directly related to the technical (rather than administrative) aspects of the project. Supplies used for technical purposes are not "office" supplies -- they are "research" supplies. Such items must be consumed during the course of the project and must be demonstrated to be used only in the conduct of that sponsored project and not used for other projects or for the multiple activities of project personnel. The supplies must be stored separately from the normal administrative unit office supplies. The account code, Office Supplies-Technical (480118) should be used for these supplies.</p> <p>b. Office supplies needed for administrative processes on a sponsored project that requires more than the routine level of administration (see Section III.C.2 and C.3).</p> <p>The account code, Office Supplies (480101), should be used for these supplies.</p> | <p>a. Supplies (e.g. paper, pens, notebook, folders, calculator, etc.) needed for the monthly monitoring of financial activity for a typical R01.</p> <p>b. Supplies (e.g. envelopes, stationary, etc.) used for the preparation of a Financial Status Report or proposal.</p> |

Note: Examples of what appears to constitute office supplies and may be appropriate to code as Office Supplies – Technical include: copy paper, diskettes, envelopes, file folders and labels, letterhead, paper clips, pencils, pens, erasers, post-its, push pins, rubber bands, rulers, scissors, spiral notebooks, staplers, staples, staple pullers, tape (scotch, masking, etc.), tapes for tape drive backup. (This list is not intended to be all-inclusive.)

c. Postage or Delivery

Ordinary and routine postage is normally treated as an F&A cost.

| <b>Examples of when direct charging may be appropriate</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Examples of when direct charging may <u>not</u> be appropriate</b>                                                                            |
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| <p>a. Postage required for the technical conduct of the study. Examples of this could include:</p> <ul style="list-style-type: none"><li>i. Mailing study surveys.</li><li>ii. Mailing study specimens.</li><li>iii. Mailing study prescriptions.</li><li>iv. Specialized reports required by the sponsor. This does <u>not</u> include routine reports, such as proposals or other routine correspondence with the sponsor.</li><li>v. Correspondence with collaborators that is required for the technical aspect of the project.</li><li>vi. Mailing reprints when directly related to a project.</li></ul> <p>b. Postage needed for administrative processes on a sponsored project that is considered a “major” project requiring more than the routine level of administration (see Section A above).</p> | <p>a. Postage to mail proposal.</p> <p>b. Postage to mail routine reports required by the sponsor, such as progress reports, proposals, etc.</p> |

Note: Documentation of postage/delivery is required and includes:

- Copy of Mail Center Postage Meter Charge form from Mailing Services with reason for postage documented on the form.
- Postage meter or log documenting usage for the project.

- Express mail receipt with reason for shipment documented on the form.

d. Telephone

Costs incurred for local telephone services are normally treated as F&A costs. Under exceptional circumstances, local telephone expenses may be directly charged to a sponsored project. Exceptions apply when a project has a special or unique need for telephone communication. Phone usage must be significantly greater than the routine level required by administrative unit usage.

Long distance toll charges, pagers, cellular phones as well as moves, adds, or changes to telephone equipment may be charged directly to federally sponsored projects when a charge can be specifically identified to a project.

| <b>Examples of when direct charging may be appropriate</b>                                                                                                                                                                                                                                                                                                                                                       | <b>Examples of when direct charging may <u>not</u> be appropriate</b>                                                                   |
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| <ul style="list-style-type: none"> <li>a. Dedicated line used to conduct a telephone survey.</li> <li>b. Phone line used exclusively to manage a multi-site research project.</li> <li>c. Toll-free (i.e., 1-800) line for study participants to contact researchers regarding a study.</li> <li>d. Voice mail for study participants to leave confidential messages.</li> <li>e. Off-site locations.</li> </ul> | <ul style="list-style-type: none"> <li>a. Telephones used by the PIs for all activities and maintained after a project ends.</li> </ul> |

e. Clerical and Administrative Salaries and Wages

Clerical and administrative salaries and wages are normally treated as F&A costs. It would not be expected that department administrators and division administrators, because of the nature of their jobs, would be direct charged to Federally sponsored projects where UCD is the prime award recipient or a sub recipient of Federal flow-thru monies such as a sub agreement. This limitation would be especially applicable to departments and divisions that

are predominately clinical (e.g., divisions in the Department of Medicine) or instruction. Because of the way the UCD effort reporting system is structured, administrative or clerical salary charges of less than 5% are not expected to be made to Federally sponsored projects. Thus, charges of less than 5% per calendar year quarter (e.g., July through September) would not be appropriate.

In limited circumstances, some divisions that are predominately devoted to research (75 % or more) may be able to justify some direct charging. Individuals whose salaries are paid from a sponsored project must have responsibilities specifically associated with the work of the sponsored project and must be able to certify this association on the UCD's Personnel Effort Reporting System. The "specific association" requirement may be satisfied in one of two ways:

- i. Unusually high levels of administrative activity associated with unusually large and complex projects such as program projects, cooperative agreements, coordinating centers, multi-center grants, or operations office.
- ii. Administrative work that is specifically related to the distinctive scientific and technical requirements of the work of the sponsored project, such as data collection, maintaining subject/patient data, phone surveys, etc.

| <b>Examples of when direct charging may be appropriate</b>                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Examples of when direct charging may <u>not</u> be appropriate</b>                                                                                                                                                                                                                                                                                                               |
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| <ol style="list-style-type: none"> <li>a. Grants administrative support staff performing extraordinary and extensive administrative support for complex projects as described in Sections A above.</li> <li>b. Programmatic project effort.</li> <li>c. Extraordinary and extensive data entry.</li> <li>d. Research data gathering.</li> <li>e. Research data cleaning.</li> <li>f. Laboratory technician activities.</li> <li>g. Conducting computer research work.</li> </ol> | <ol style="list-style-type: none"> <li>a. Administrative unit staff salaries for staff that provide clerical and administrative support for many functions and areas.</li> <li>b. Routine accounting and budgeting.</li> <li>c. Filing of departmental documentation.</li> <li>d. Routine processing of vouchers and purchase orders.</li> <li>e. Routine travel related</li> </ol> |

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| <ul style="list-style-type: none"> <li>h. Telephone surveys.</li> <li>i. Computer programming for study.</li> <li>j. Extraordinary and greater than the routine budget creation and maintenance.</li> <li>k. Extraordinary effort in grant related transcription.</li> <li>l. Preparing manuscripts for publication.</li> <li>m. Developing materials for presentations.</li> <li>n. Large conference planning and organization.</li> <li>o. Research training.</li> <li>p. Clinical and patient activities such as scheduling patient visits, interviewing, processing payments for patients, physical exams, blood drawing, height and weight measurement, and extraordinary effort in formalizing physician reports.</li> <li>q. Database maintenance.</li> <li>r. Preparing paperwork related to IRB continuing protocol review.</li> <li>s. Library searches.</li> <li>t. Preparing progress reports.</li> <li>u. Tabulate research results.</li> </ul> | <ul style="list-style-type: none"> <li>planning.</li> <li>f. Routine departmental telephone answering duties.</li> <li>g. Typing newsletters and brochures.</li> <li>h. Data correction and organization.</li> <li>i. Typing of applications for awards.</li> <li>j. Payroll processing.</li> </ul> |
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Note: Project clerical duties performed by Professional Research Assistants or Research Associates that are no more than 25 percent of their duties per the UCD Administrative Policy 5-8, Research Associates Series, are allowable on a grant if the duties are directly related to the project being charged (checklist is not required).