

Subrecipient Training Material

Developed by: Sponsored
Projects Accounting

Topics

- Basic Principles for Sponsored Funding
- Direct Charging- Salaries
- Direct Charging- Supplies
- Unallowable Costs
- Administrative Costs
- Facility and Administrative Costs
- Documentation Requirements
- Other Links

Basic Principles for Sponsored Funding

- Sponsors have the expectation that we will be responsible stewards of the funds we receive
- Non-compliance can result in
 - Financial & Criminal Penalties
 - Loss of existing and future research funding
- • ***It's the right thing to do***

Direct Charges

Salaries	Subagreements
Fringes	Patient Care
Travel	Consultants
Supplies	Animals
Equipment	Subject Fees

Direct Charges - Salaries

- Salaries charged should correspond with the individuals identified to be working on the project
- Salaries charges must be verified as being correct by one of the following:
 - the individual
 - the Principal Investigator
 - Individuals Supervisor
- Documentation of salary verification should be maintained visit for examples: [ePARS](#)

Direct Charges – Salaries

(continued)

- The NIH and other DHHS organizations restricts the amount of direct salary charged to their grants.
 - Compensation for individuals on NIH grants cannot exceed a stipulated rate of pay per year or per academic appointment.
 - Executive Level II of the Federal Executive Pay Scale must be used
 - For additional information see: [WU NIH Salary Cap Policy](#)

Direct Charges – Non Salaries

- Must be specifically identified with a particular project – Charge it where you used it!
- Must be allowable (i.e., certain costs, such as entertainment, may not be charged to a Federal sponsored project under any circumstances).
- Must be allocable (i.e., costs must be charged in proportion to their benefit to a particular project).

Direct Charges – Non Salaries

(Continued)

- Must be reasonable (i.e., charging costs to a particular project must be conservative and reflect the actions of a prudent person).
- Costs must be charged to a sponsored project in a consistent manner

Unallowable Costs

- An unallowable cost is one that is not eligible for reimbursement by a Federal sponsor, either directly or indirectly (through the F&A rate)
- Costs that are considered unallowable may still be reimbursed through department or institution funds.

Unallowable Items

- ◆ Advertising
- ◆ Alcoholic Beverages
- ◆ Charitable Contributions
- ◆ Entertainment
- ◆ Fines and Penalties
- ◆ Losses on sponsored agreements (deficits)
- ◆ Personal use of goods or services

Administrative Costs

- Under OMB's Uniform Guidance (UG), administrative and clerical salaries are still considered indirect costs, therefore these costs should not be charged directly to a federal grant. Administrative and clerical salaries may be appropriate as a direct charges when **all of the following conditions are met:**
 - Administrative or clerical services are integral* to a project or activity;
 - Individuals involved can be specifically identified with the project or activity;
 - Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
 - The costs are not also recovered as indirect costs.

Facility and Administrative Costs

(a.k.a., Indirect Cost or Overhead)

- Definition: Costs that are incurred for common or joint objectives which cannot be specifically identified with a particular project.
 - HVAC
 - Building upkeep
 - Department and school administration

Facilities Components

- Building and Equipment Depreciation
- Operations and Maintenance (utilities, maintenance, custodial costs, non-capital improvements)
- Interest Expense (paid to external parties)
- Library (books, library facilities and library administration)

Administrative Components

- Departmental Administration
 - Dean's Office, Dept Chairs, Dept Administrative staff and administrative work of Faculty (including proposal preparation)
- General Administration & General Expense
 - Chancellor, Exc. Vice Chancellors, Human Resources, IS&T, Controller...

Documentation Requirements

- **Invoices** submitted to WU for reimbursement must :
 - Name of subrecipient (e.g. letterhead of institution/entity)
 - WU Subaward Number
 - Date of invoice
 - Period of performance covered by invoice
 - Final invoice for the project must be marked “Final”
 - Description of services reflected by billing (e.g., major expenditure categories)
 - Current and cumulative period costs
 - Signature of institutional official (e.g., individual from accounting, finance, sponsored projects accounting...)
 - Certification statement as to the truth and accuracy of the data on the invoice
 - Contact person with respect to the invoice (e.g., name, e-mail address and phone number)

Documentation Requirements

- Subrecipient must be able to provide upon request
 - Receipts and or reports for invoiced charges
 - Payroll distribution reports for salaries invoiced

Additional Resources & Links

- ◉ [Uniform Guidance 2CFR Part 200](#)
- ◉ [Quick Guide for Effort Reporting](#)
- ◉ [Additional Links and Information](#)