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
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

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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
The NIH and other DHHS organizations restrict 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

- 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.
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
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 administrate work of Faculty (including proposal preparation)

- **General Administration & General Expense**
  - Chancellor, Exc. Vice Chancellors, Human Resources, IS&T, Controller…
**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)
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