

# Administrative Cost Policies and Procedures

## March 2014

Attachment B

### SPA'S TOP 10 LIST

#### -ADMINISTRATIVE COSTS-

- 1) Administrative costs are generally prohibited from being directly charged to federally funded sponsored projects, per OMB Circular A-21.
- 2) Normally, the salaries of administrative and clerical staff plus non-personnel costs such as office supplies, postage, local telephone, and memberships must be treated as indirect costs on federal grants and contracts.
- 3) The following BUOB's are normally restricted, unless identified during the pre-award stage or noted on an Administrative Cost Exception (ACE) form which is subsequently approved by Sponsored Projects Accounting, 3403–research office supplies, 3455–laser printer supplies, 3512–postage, 3530–telephone, 3532–telephone data processing equipment, and 3557–memberships.
- 4) OMB Circular A-21 does allow for direct charging of administrative and clerical staff (and related fringe benefits) and non-personnel administrative costs if the costs meet the exception criteria of unlike or special circumstances.
- 5) Administrative costs may be appropriate on certain “major projects”. This type of project/activity would require an extensive amount of administrative or clerical support that is significantly greater than the routine level of such services provided by academics department through the University. Examples of a “major project” would include: unusually large and complex projects (i.e., program projects, research centers); project which involve extensive data accumulation; conference or seminar grants; projects that produce large manuscripts or reports; projects that are geographically inaccessible (i.e., research vessels) or projects that require project-specific database management
- 6) The Principal Investigator (PI) should clearly describe and justify the administrative costs that meet the exception criteria in the proposal budget and narrative.
- 7) [Requests for support of administrative and clerical costs should be clearly justified in the proposal budget and are subject to review by OSRS.](#)
- 8) If there is a need to direct charge administrative costs to a project after the proposal has been submitted and the fund is established, an Administrative Cost Exception (ACE) form should be completed and submitted to Sponsored Projects Accounting. The request will be reviewed and if it is approved, the budget object codes related to the cost items will be activated on the fund.
- 9) A trailing document should be completed when a budget object code related to administrative charges that are normally not considered allowable is utilized on a financial transaction. The trailing document should justify the specific identification and unlike circumstances of the costs.
- 10) Please refer to the University's Administrative Cost Policy on the [Finance site](#).