

Administrative and Clerical Salaries on Sponsored Funds

Overview and Key Concepts

The purpose of this document is to communicate Washington University's (University) guidelines for charging administrative and clerical salaries to sponsored funds. Administrative salaries, generally, may not be directly charged to sponsored funds. This policy clarifies when exceptions may be made and the procedures and requirements for achieving exception approval.

The University maintains a series of internal controls to ensure that administrative salaries may not automatically be direct charged on sponsored funds before verification of the aforementioned exceptions has first taken place. It is the department and PI's responsibility to follow University and agency guidelines and clearly document the type of function that is being performed on the grant if those duties differ from the responsibilities captured in the employee's job description. The department administrator should contact the HR Compensation Office if a modification in job duties is necessary, as this may result in a job reclassification.

Summary of Roles

**-Principal Investigator
(PI) or Designee**

- Determines and justifies how administrative and clerical positions are integral to the project at the proposal stage
- Monitors administrative and clerical salaries charged to the grant

**-Department
Administrator (DA)**

- Provides sufficient documentation in the budget justification
- Confirms that an individual's role on the project corresponds with research eligibility status within HRMS and justifies accordingly
- Completes ACE form and monitors salaries charged to grant

-OSRS

- Reviews budget justification at the time of proposal and assists the department with proper documentation

-SPA

- Works with Human Resources to establish appropriate research eligibility status for HRMS job codes
- Reviews and approves ACE form and monitors salaries charged
- Determines when agency prior approval is required and assists with the submission to the agency

Definitions

Administrative and Clerical Jobs are positions where employees perform non-technical functions and their primary role is to provide administrative and clerical support to the project. An example of this would be an administrative assistant. **These positions are designated as non-research eligible in HRMS.**

Technical Support Positions are roles where the primary function is to provide a technical service that directly benefits the scientific scope of the research. An example would be “electrical engineer.” **These positions are designated as research eligible in HRMS.**

Procedures

Pre-award

Administrative and clerical positions should be identified at the proposal stage. Under OMB’s Uniform Guidance (UG) (2 CFR Part 200), administrative and clerical salaries are still considered indirect costs, therefore these costs should not be charged directly to a federal grant. The UG no longer contains the “exceptional circumstances” provisions in A-21; rather, it states that administrative and clerical salaries may be appropriate as a direct charge 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.

*The term “integral” is not defined in the UG. The general guideline that WUSTL continues to follow is that the services provided by the individual/position are essential, vital, or fundamental to meeting the specific aims and/or objectives of the project.

If **all** of these requirements are met, the PIs (or their designee) should include a clear and concise description of these services in the budget justification statement to facilitate the required agency approval. A proposal without such clear and concise description in the budget justification may result in the need to obtain additional agency prior approval in the event of an award. Therefore, it is **highly recommended** that proposals also include a sentence, similar to the one below, towards the end the justification statement:

..."We consider [List position title here] an administrative cost allowed under 2 CFR 200.413. In the event this proposal is awarded, we will consider the award document sufficient agency approval for this administrative cost."

Failure to clearly document administrative and clerical salaries within the proposal may cause delays in post award sourcing and/or require agency prior approval at the award stage.

In addition, certain funding opportunities and some non-federal entities may allow for additional exceptions for administrative and clerical salaries. It is the department and PI’s responsibility to follow

University and agency guidelines and clearly document the type of function that is being performed on the grant and whether those duties differ from the responsibilities captured in the employee's job description.

Post-Award

The University's human resources and payroll system (HRMS) identifies each position (job code) as research eligible (e.g., faculty members, research scientists, technicians, nurse coordinators...) or research ineligible (e.g., accountant, administrative assistant, admissions representative, benefits coordinator...). Edits within the HRMS system are initiated when employees are sourced to sponsored projects funds based upon the federal guidelines mentioned above and their job code. Additionally, data elements within the general ledger provide additional restrictions for administrative and clerical salaries.

If the PI believes that certain administrative expenditures are appropriate on a federal project, an Administrative Cost Exception (ACE) form should be completed and submitted to SPA. The approved budget justification from the proposal which outlines how the position is integral should accompany the ACE form. The PI should clearly justify the basis of the unique and mitigating scientific/technical needs that make the administrative function integral to the project. SPA will review the justification in the ACE form, and make the final determination of whether the costs are considered direct or indirect. The ACE form and corresponding instructions can be obtained from the SPA website under the Forms submenu, see <http://spa.wustl.edu/forms.htm>.

In the event the administrative position was not included in the original budget justification, written agency prior approval may be required. Currently, only the National Institute of Health has waived the prior approval requirement outlined in 2 CRF 200.413 (see [NIH FAQ 2-5-15](#)). For NIH requests that did not have the administrative position outlined in the budget justification, SPA will rely on the information included on the ACE form to determine if the UG requirements have been met. SPA will assist with determining when agency prior approval is required and facilitate this process.

Monitoring

Only administrative and clerical salaries specifically noted on the ACE form should be charged to the fund. If the scientific need/requirement to incur other/additional administrative costs arises during the performance of the project, which differ substantially from the costs on the approved original ACE form, a secondary ACE form should be completed and submitted to SPA for approval. In addition, the ACE approval is specific to the department fund number combination and must be completed for each subsequent allocation or new fund number. Please contact SPA regarding questions and clarifications about the ACE Form process.

The PI should continue to review the administrative salaries charged to the project on an on-going basis to ensure appropriateness and consistency.

While there is no specific dollar value required for exception requests, exceptions should only be requested and deemed as integral for material amounts, so that most small dollar value requests would probably not

meet the strong, mitigating need criteria for an exception. Additionally, neither the lack of other non-sponsored supportive funding nor the availability of funding under a sponsored agreement is justification, in and of itself, for requesting an exception. All exceptions must be based on a specific, integral need and must be essential for successful completion of the project.

Responsible Office Contact

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