

Additional Guidance for Specific Costs

1. Administrative and Clerical Salaries

The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if all of the following conditions are met (2 CFR 200.413(c)):

- (1) Administrative or clerical services are integral to a project or activity;
- (2) Individuals involved can be specifically identified with the project or activity;
- (3) Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
- (4) The costs are not also recovered as indirect costs.

This section of the federal guidance allows principal investigators some flexibility when developing project budgets. While the guidance specifies that administrative costs are to be treated as indirect costs *by default*, it also recognizes that there may be circumstances where direct cost treatment would prove beneficial to a project. Consideration of the questions listed below prior to budgeting or requesting administrative costs as direct costs is recommended.

- Does this affect the competitiveness of the proposal? Will additional administrative costs be viewed negatively by the sponsor?
- In situations where limited funding may be available, is this the best use of the funding? Would the project benefit more from direct labor of graduate students or other technical, programmatic, or research personnel?
- Are there any issues with the ability to justify and quantify the administrative employee's effort for purposes of budgeting, charging or certifying on a university Effort Report?
- Administrative and clerical salary expenditures are more likely to be specifically identified for review by the audit community. Is the P.I., department, or college willing and able to assist in responding to additional scrutiny and questions during a compliance or financial audit?

Budget Details:

For those projects where direct cost treatment of administrative and clerical personnel costs is desired and is not specifically disallowed by the program or sponsor, procedures for obtaining specific prior approval from the sponsor must be followed. In the absence of such, the Sponsored Programs Accounting office will look for the following within the approved budget:

- The salaries must be clearly identified and labeled as administrative and clerical salaries.
- An explanation of how these personnel services are integral to the project or activity and how the work is to be identified with the project should be included in the budget narrative or justifications.
- The same details must be included for any subrecipients who wish to direct charge administrative and clerical personnel costs.

Identification of Administrative and Clerical costs: The information below is intended to assist departments in properly identifying these costs for direct cost treatment in proposal and award budgets. The Sponsored Programs Accounting office will use the criteria below when reviewing the actual costs for allowability.

Examples of administrative and clerical duties at K-State include:

- Personnel (HR) related tasks (appointment papers, funding allocations in HRIS, etc.)
- Preparing mailings, reports, and other types of communication
- Organizing and scheduling meetings
- Ordering/purchasing of goods and services
- Maintaining accounting and financial records, preparing budgets
- Basic information system maintenance and assistance

Common administrative and clerical job titles at K-State include but are not limited to:

- Business Manager
- Accountant (all levels)
- Administrative assistant or specialist (all levels)
- Network Administrator
- Personnel Specialist
- Finance Officer
- Procurement Officer (all levels)
- Grant/Contract Specialist or Officer

Integral and identifiable to a project:

- Personnel should generally be able to identify and allocate at least 25% of their time to the project, including both time that will be charged to the sponsored account and any cost-shared effort. Allocations of less than 25% must include additional details regarding how the time will be identified and allocated. Administrative and clerical personnel funding allocations/payments must be a reasonable reflection of the actual effort spent on the project, the same as for scientific and programmatic project personnel.
- Duties that are integral to the project are those that are critical to achieving the project objectives. Most projects require a basic level of administrative support, but such support is generally not considered significant or unique to the project and therefore not integral. Budget justifications and/or scope of work statements should clarify the additional benefit of direct charging, such as the need for an unusual type or volume of administrative tasks.

Rebudgeting, Cost Sharing/ Matching, Non-federal funds:

See basic guidance in the Prior Written Approvals section above.

2. Computing Devices

What is a computing device?

Computing devices are machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information (2 CFR 200.20).

Supply vs. Equipment:

- Supplies are items that have an acquisition cost of less than \$5,000 per unit, regardless of the useful life.
 - Equipment, including information technology systems, is an item that has a useful life of more than one year and a per-unit acquisition cost of \$5,000 or more.
- A. Direct cost treatment when the computing device is a Supply (less than \$5,000): The cost of these items may be direct charged when the device is essential and allocable, but not solely dedicated, to the performance of the Federal award (2 CFR 200.453 (c)).

Criteria to be used when determining “essential and allocable”:

- The item must have been purchased specifically for the federal award.
 - The item does not have to be specifically identified in the approved budget and does not require specific prior approval.
 - The device must be needed to carry out programmatic or technical activities under the award, but does not have to be used only for those purposes.
 - If used for other purposes, the relative benefit to the award should be considered prior to charging the full cost of the device to the award. Generally, if it can be easily shown that the device is used 75% or more for essential award tasks, then no allocation will be required by the Sponsored Programs Accounting office.
- B. Direct cost treatment when the computing device is Equipment (\$5,000 or more, useful life greater than one year): Any equipment, special purpose or general purpose, is allowable as a direct cost **only with prior written approval** (2 CFR 200.439). Computing devices that otherwise meet the cost and useful life threshold for equipment are normally considered to be general purpose equipment (definitions below).

Where the purchase of equipment or other capital asset is specifically authorized for purchase under a Federal award, the costs may be charged to the Federal award, regardless of how it may be used **when no longer needed for the purpose for which it was originally acquired.** (200.405 (d))

Definitions:

- Special purpose equipment: equipment that is used only for research, medical, scientific, or other technical activities. Examples include microscopes, x-ray machines, surgical instruments and spectrometers (2 CFR 200.89).

- General purpose equipment: equipment that is not limited to research, medical, scientific, or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, reproduction and printing equipment, and motor vehicles (2 CFR 200.48).

Budget Details, Re-budgeting, Matching, and Non-federal awards:

See basic guidance in the Prior Written Approvals section above. In addition, the following items apply to computing equipment:

- The computing equipment must be clearly identified and labeled as such within the budget, including whether it is general purpose or special purpose.
- Costs associated with existing (previously purchased) equipment cannot be direct charged to a sponsored account or used as matching/cost sharing.