



OFFICE OF SPONSORED PROGRAMS

Charles R. Drew University of Medicine and Science

Direct Charging of Administrative and Clerical Salaries FAQ Based on the Uniform Guidance after December 26, 2014

Pre-Award – Proposal Preparation

1. Under what conditions would it be appropriate to request administrative and clerical salaries as direct costs to my grant?

Direct charging of these costs may be appropriate if all four 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.

2. What should I include in my proposal to request approval for these costs?

Federal regulations require the PI to explicitly include direct costs for administrative and clerical salaries in the proposal budget and budget justification. The PI must explain why the salaries are integral or fundamental to the project or activity. The administrative or clerical staff member must be allocated at least 20% time or roughly eight hours per week to the project. The budget justification should include an explanation of the work to be done for the project and a clear request in accordance with 2 CFR 200.431.

3. Must these costs be approved by the Federal awarding agency?

Yes, the Federal agency must always approve the direct charging of administrative and clerical salaries. Costs must either be explicitly included in the approved budget or have prior written approval of the agency.

4. What if I am submitting a proposal to a non-federal sponsor? What should I include in my proposal?

The guidance for non-Federal sponsors is similar, but it may be more flexible. It is important to be familiar with the program guidelines, as well as terms and conditions. Assuming that sponsor terms and conditions do not restrict the direct charging of administrative and clerical salaries, you may wish to include such costs in budget justification.

5. What is the difference between programmatic activities and administrative/clerical activities on a grant?

Programmatic activities are those activities that can be directly charged to a project without needing to provide additional justification or obtain prior approval. Administrative or clerical activities need to meet the four conditions outlined in 200.413(c) in order to be directly charged to a project, including being explicitly included in the budget or having prior approval of the Federal awarding agency. Examples of activities that fall into each category are included in the table below.

Programmatic Activities (direct costs, no prior approval needed)	Administrative or Clerical Activities (normally indirect costs, unless prior approval obtained)
<p>Activities contributing and directly related to work under an agreement, such as:</p> <ul style="list-style-type: none"> • delivering special lectures about specific aspects of the ongoing activity, • writing reports and articles, • developing and maintaining protocols (human, animals, etc.), • managing substances/chemicals, • managing and securing project-specific data, • coordinating research subjects, • participating in appropriate seminars, • consulting with colleagues and graduate students, and • attending meetings and conferences. 	<p>If the four conditions are met, activities that support the project that may be allowable as direct charges might include:</p> <ul style="list-style-type: none"> • travel and meeting arrangements • travel reimbursements • purchasing activities • financial tracking and management • data processing • payroll • human resources

6. For what types of projects might administrative and clerical salaries be considered integral and allocable?

Please see the list below for some examples of project activities where administrative and clerical salaries might be considered integral and allocable to the project. These examples should be helpful in determining some of the costs that might necessitate administrative and clerical salaries as direct costs. Even for these very realistic examples, the costs associated with the salary must be included in the approved budget or have prior written approval from the awarding agency:

- a. Large, complex programs such as Multi-Centers Grants, Program Projects, and other grants that entail assembling and managing teams of investigators from a number of institutions.
- b. Projects which involve extensive data accumulation, analysis and entry, surveying, tabulation, cataloging, searching literature, and reporting (such as epidemiological studies, clinical trials studies).
- c. Projects that require making travel and meeting arrangements for large numbers of participants, such as conferences, workshops and seminars.
- d. Projects whose principal focus is the preparation and production of manuals and large reports (excluding routine progress and technical reports).
- e. Projects that are geographically inaccessible to normal departmental administrative services, other research sites that are remote from campus.
- f. Individual projects requiring significant amounts of project-specific database management; individualized graphics or manuscript preparation; human or animal protocols; and multiple project-related investigator coordination and communications.

7. If I am submitting a modular grant application and wish to request administrative and clerical salaries, what should I do?

Although Modular Grant Application guidelines do not require a detailed categorical budget, NIH requires that a modular budget must still include a Personnel Justification within the Budget Justification section. If the PI/department seeks to direct charge administrative and clerical salaries, the personnel justification should explicitly include:

- The name(s) of such personnel (or indicate that a position is "to be appointed");
- The number of person months devoted to the project (at minimum, equivalent to 20% time or roughly eight hours per week); and
- The individual's role/responsibilities on the project.

It must be clear to NIH that the individual will be performing administrative/clerical duties. The personnel justification should include a statement such as, **"In accordance with 2 CFR 200.413 and 45 CFR 75.413, we are including [list name, position title] for [list person months] as a directly-charged administrative cost."**

8. The Uniform Guidance states that direct charging of administrative and clerical salaries may be appropriate only if all four conditions are met. The fourth condition is, "The costs are not also recovered as indirect costs." Who is responsible for making sure that this condition is met?

The Office of Finance is responsible for preparation of the University's Facilities & Administrative cost rate proposal, however, OSP is responsible for ensuring that any direct charged administrative and clerical salaries are also not recovered as indirect costs.

9. Is it possible to charge 100% of my administrative and clerical staff person's salary to a single sponsored project?

While it is possible to charge 100% of an administrative or clerical staff person's salary to a single sponsored project, the practice is not encouraged. Similar to 100% research faculty, charging 100% of an administrative/clerical staff person's salary to a single sponsored project raises the question of whether or not the individual is involved in activities (e.g., university governance, committee work, or proposal development) that should be funded by sources other than the sponsored project.

10. Can I share the total cost of admin/clerical salaries across multiple sponsored funding sources?

Splitting the administrative/clerical salary charges across more than one sponsored project may cast doubt upon whether the salary would be more appropriately categorized as an F&A expense.

11. My administrative/clerical staff person spends less than 20% of their time performing critical activities that support my project. Why can't I charge a portion of their salary to my award?

An assignment taking less than 20% time would not strongly support that an individual is integral and specifically identifiable with a project or activity.

12. Will effort need to be certified for administrative or clerical staff?

Yes. Any salaries charged to sponsored projects must be certified to ensure that they are reasonable in relation to the work performed.

Post-Award

13. What if I decide after the project has started that I want to pay an administrative/clerical staff person on my award?

- a. If a need for administrative or clerical support arises after the project has been funded, rebudgeting for those costs will require prior approval of the awarding agency before an appointment to the grant is made. The request should include:
 - An explanation as to why the salaries are integral or fundamental to the project or activity;
 - Identification of the proposed amount of time (**a minimum of 20% time or roughly eight hours per week**) that the individual will spend on the project; and
 - An explicit request to charge administrative/clerical costs
- b. If the PI is seeking additional funds – beyond the awarded amount – from the agency for administrative and clerical salaries, then a supplemental request should be submitted to OSP for submission to the Federal agency.

In either case, an approval from the agency must be received in order to charge the administrative and clerical salaries directly to the project.

14. What should I do if I receive a cost transfer where the PI is trying to direct charge administrative and clerical salaries?

If you receive a cost transfer where a PI is trying to direct charge administrative and clerical salaries, it should be verified that the direct charging of such salaries has been approved by the Federal awarding agency. The transfer should not proceed until prior written approval from the Federal awarding agency has been confirmed.