

Direct Charges of General Purpose Costs to Federal Grants

Directly charged costs to federal grants which are typically considered Facilities and Administrative (F&A) indirect costs, may be appropriate and allowable as direct costs if specific conditions are met. These conditions include:

1. The items are required by the project's scope of work.
2. The costs can be specifically and easily identified to this project.
3. The number and/or cost of the items needed is clearly in excess of what would normally be considered F&A costs by OMB A-21 and university policy.

The proposal budget justification should provide a clear explanation as to how the proposed charges meet these three conditions.

Subscriptions/Books/Periodicals

Subscriptions and books are usually considered facilities and administrative costs, and are therefore not allowed as direct costs. Subscription and book costs may be allowable as direct costs if appropriately justified. The budget narrative should indicate how these criteria are met and provide cost information for each subscription/book.

Office Supplies/Computers/Software/Office Equipment

General-purpose office supplies are usually considered facilities and administrative costs, and are therefore not allowed as direct costs. When items normally considered office supplies are purchased for technical or scientific use on a project, charges may be allowable as direct costs if appropriately justified. Office supplies paid from a sponsored project must be consumed within the life of the project.

The category of office supplies includes such items as computers, copiers, paper, envelopes, paper clips, binder clips, binders/notebooks, transparencies, rubber bands, legal pads, pens, pencils, markers, post-it notes, liquid paper, staples/staplers, tape/tape dispensers, clocks, calendars, paper punches, university stationery, desk organizers, file cabinets, file folders, printer paper, printer ribbons, toner cartridges, diskettes, zip disks, etc.

The category of office supplies also includes general-purpose software and site licenses (e.g., Word, Excel, GroupWise, etc.), and these items are not normally allowable as direct costs. Software is only allowable if it is special-purpose software required for data acquisition or interpretation for a sponsored research project. The budget narrative should list each item being requested along with its unit cost. A justification is required which describes the circumstances of the project and demonstrates why the items are needed and how these charges comply with university policy.

Memberships

An individual membership to a professional group may be allowed as a direct charge if one of the following can be demonstrated:

1. The membership creates a cost-savings to attend a conference at which research results

specific to the project will be presented, or whose membership is mandatory in order to present a paper specific to the project.

2. The sole purpose of the membership is to purchase a periodical at a reduced rate, the periodical is not available through the institution's library services, and the periodical is necessary for the sponsored project.

****The budget narrative should clearly indicate how the membership costs meet the requirement.****

Postage (including overnight carriers such as Federal Express, Airborne, etc.)

Postage is usually considered a facilities and administrative cost, and is therefore not allowed as part of direct costs. Postage charges may be allowable as direct costs if appropriately justified. The justification for postage to be charged as a direct cost must demonstrate a need required by the scope of work. Examples include mail surveys, deliverables, and information to be reviewed by several project participants. The shipping of samples, equipment, and parts through the mail or via other carriers is allowable as a direct cost without justification.

Telecommunications

Local telephone costs (line charges, equipment rental, etc.) and cell phone costs are usually considered facilities and administrative costs, and are therefore not allowed as direct costs. Exceptions are made for equipment and toll charges for phones needed in field work, cellular phones needed for field site coordination, phone call charges while on travel, and in large projects requiring dedicated lines. Local telephone costs may be allowable as direct costs if appropriately justified. Long distance calls necessary for the conduct of a sponsored project are allowable with proper documentation.

NOTE: Only in specific circumstances may cell phone costs be charged directly to a sponsored project. These costs are generally approved prior to proposal submission by the Office of Grant and Contract Services.

Examples:

Office Supply Example

We have included office/administrative supplies in the direct costs budgeted for this project. These items will not be used for routine administration, but will be dedicated solely as outlined in the research plan (in support of specific aim three). We plan to provide comprehensive training manuals to each of the two hundred study participants. These manuals will include detailed instructions for completing the six surveys. Each participant will be contacted by postcard eight times during the study. Manuals contain one hundred pages of printed instructions, six sets of surveys totaling 670 pages, one set of binder sections, eight large pre-addressed manila envelopes, and all will be inserted into a three-ring binder. The cost of a manual is \$18. Total supply cost for manual development for all two hundred study participants will be \$3,600.

Membership Example

In year two of the project, Dr. I. B. Smartt, PI, will present data from this study at the annual meeting of the X-Ray Society (X-RS), the premiere association for x-ray crystallographers in the U.S. In

order to present project findings at this meeting, she must be a member of X-RS in both year one and year two (when the abstract is submitted for consideration). Dues of \$200 are budgeted for each year, totaling \$400.

Postage Example

Surveys (described in the proposed Scope of Work) will be conducted three times per year in each of the five years of the project for each of the 500 participants. Participants will be provided self-addressed, stamped envelopes for mailing the surveys back each time. Postage costs for the 15,000 mailings (500 X 5 X 3 X 2) are anticipated to be \$3.00 per mailing, for a total of \$45,000.

Book Example

Quayle's *Measuring the Differences Between Quarks and Mesons* is the only written source available that describes the complicated atom-smashing procedures that will be followed in this study. The Research Technician who will be measuring the mesons needed during Phase I needs this book and it is not available in any university libraries. This book (\$235) will be used on a daily basis during Phase I of the proposed series of studies, and again during Phase II (see specific aim 2).

Personal Computer (Off-Campus) Example

\$3,000 has been budgeted for a laptop computer dedicated to this project. The PI will use the computer in the forests of Borneo to record observational data on the pygmy monkey family clusters living there, as described in the project's methodology.