

Checklist for Direct Charging Administrative Salaries to Sponsored Projects

NAU Box 4130 Tele.: 928-523-4880 Fax: 928-523-1075

This checklist should be attached to the Proposal Approval Form whenever a proposal submitted to a federal agency includes clerical and administrative salaries and wages. The Principal Investigator is responsible for complying with federal and/or University rules and regulations, and for supplying all required documentation. The Office of Management and Budget (OMB) suggests .25 FTE as a minimum threshold for charging administrative and clerical salaries to federally sponsored agreements.*

In order for clerical and administrative salaries to be considered for direct charging, the following three conditions must be met:

1. The person's activity can be readily identified specifically with the project with a high degree of accuracy.
2. The position is required by the project scope, due to the project's special purpose or circumstance.
3. The position is specifically budgeted as a line item in the proposal budget with duties discussed in the budget justification section.

Provide the following information for each clerical or administrative position directly charged to the sponsor:

The duties of _____ (name of individual) on this project include (check):

- Extensive data accumulation, analysis, entry, labeling, surveying, tabulation, cataloguing, technical illustration, manuscript and publication production, searching literature, and reporting.
- Making complex travel, meeting and visa arrangements for project collaborators or workshop participants; organizing workshops or conferences for large numbers of participants; extensive desk-top publishing of workshop materials.
- Managing the logistics of extensive field operations necessitated by the nature of the award.
- Coordinating with subcontractors or collaborators (often at other institutions) involved in this award; or coordinating a research program supported from multiple sources.
- Performing administrative services for a major on- or off-campus research operation with separate facilities.
- Other extenuating circumstances.
Explain: _____

Attach a description providing the budgetary and financial management details showing at least .25 FTE effort related directly to this project.

* See OMB Circular A-21 Section F6b(2) and Exhibit C.

Direct Charging Administrative Salaries to Sponsored Projects

Prior to 1994, the determination of whether to charge administrative or clerical staff to a given federal grant or contract was solely the jurisdiction of the principal investigator, and these costs were routinely included in proposal budgets. Subsequent revisions to Office of Management and Budget (OMB) Circular A-21, *Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions* regulations provide that administrative and clerical salaries are generally indirect costs, and therefore should not generally be charged to individual grants and contracts. Accordingly, it is vital that principal investigators fully justify in grant and contract applications those situations where administrative and clerical support is necessary to the project.

The guidance on direct charging of administrative and clerical salaries is provided in OMB Circular A-21, Section F.6.b(2) and Exhibit C:

OMB Circular A-21 Section F.6.b(2): The salaries of administrative and clerical staff should normally be treated as F&A costs. Direct charging of these costs may be appropriate where a major project or activity explicitly budgets for administrative or clerical services and individuals involved can be specifically identified with the project or activity. "Major project" is defined as a project that requires an extensive amount of administrative or clerical support, which is significantly greater than the routine level of such services provided by academic departments. Some examples of major projects are described in Exhibit C.

OMB Circular A-21 Exhibit C --Examples of "major project" where direct charging of administrative or clerical staff salaries may be appropriate.

- Large, complex programs such as General Clinical Research Centers, Primate Centers, Program Projects, environmental research centers, engineering research centers, and other grants and contracts that entail assembling and managing teams of investigators from a number of institutions.
- Projects which involve extensive data accumulation, analysis and entry, surveying, tabulation, cataloging, searching literature, and reporting (such as epidemiological studies, clinical trials, and retrospective clinical records studies).
- Projects that require making travel and meeting arrangements for large numbers of participants, such as conferences and seminars.
- Projects whose principal focus is the preparation and production of manuals and large reports, books and monographs (excluding routine progress and technical reports).
- Projects that are geographically inaccessible to normal departmental administrative services, such as research vessels, radio astronomy projects, and other research fields sites that are remote from campus.
- Individual projects requiring project-specific database management; individualized graphics or manuscript preparation; human or animal protocols; and multiple project-related investigator coordination and communications.

Whenever you propose a budget to a federal sponsor which includes clerical and administrative expenses, it is essential to include a clear and compelling budget justification for those expenses. In addition, you must establish that the project being proposed meets the A-21 definition of a "major project" as defined above.

Extraordinary and extensive administrative support, significantly greater than the routine level provided by academic, department, administrative, and clerical staff may be budgeted and charged to sponsored projects and include the project administrators performing extraordinary and extensive administrative support in the following areas:

- Programmatic project effort
- Extraordinary and extensive data entry
- Research data gathering
- Research data cleaning
- Conducting interviews
- Laboratory technical activities
- Conducting computer research work
- Telephone surveys
- Computer programming
- Extraordinary and greater than routine effort in grant-related travel planning
- Extraordinary and greater than the routine budget creation and maintenance
- Extraordinary effort in grant related transcription
- Writing manuscripts for publication (not data entry)
- Develop materials for presentations
- Large conference planning and organization
- Research training

These examples are not exhaustive nor are they intended to imply that direct charging of administrative or clerical salaries would always be appropriate for the situations illustrated in the examples. It would be inappropriate to charge the cost of such activities directly to specific sponsored agreements if, in similar circumstances, the costs of performing the same type of activity for other sponsored agreements were included as allocable costs in the institution's F&A cost pools.

The following general administrative and clerical activities normally should not be directly charged to grants or contracts:

- Departmental administrators (general departmental duties)
- Accounting and Budgeting
- Filing
- Processing vouchers
- Routine travel related planning
- Routine data entry
- Routine telephone answering
- Routine database maintenance
- Typing of newsletters and brochures
- Data correction and organization
- Routine processing and tracking of purchase orders
- Typing of proposals

NOTE that this requirement to establish a "major project" in order to charge clerical and administrative expenses applies to FEDERAL SPONSORS ONLY. When being charged to a non-federal sponsor, these expenses must still be allowable, allocable to those projects, and reasonable, but they do not have to pass the "major project" test.