

# UNIVERSITY OF SOUTH FLORIDA

## Research & Innovation

### Guidelines for Charging Costs Directly or Indirectly to Federally Sponsored Projects

Federal awards issued prior to December 26, 2014 are required to be managed in accordance with [OMB Circulars](#) A-21, A-110, and A-133. Federal awards issued on or after December 26, 2014 are to be managed in accordance with [2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal Awards](#) (The Uniform Guidance) or the appropriate regulations applicable to the award as specified in the Notice of Award issued by the funding agency.

[Cost Accounting Standards \(CAS\)](#) 48 CFR 9905.501, 9905.502, 9905.505, and 9905.506 were included in the revised cost principles of the Uniform Guidance (See [2 CFR §200.419](#)).

Effective May 8, 1996, the [Office of Management and Budget \(OMB\)](#) revised Circular A-21 to incorporate four Cost Accounting Standards applicable to educational institutions. The Cost Accounting Standards Board (CASB) issued these on November 8, 1994, and the A-21 revision extended the standards to all sponsored agreements.

The University of South Florida has established the following guidelines for charging costs to projects funded with federal or federal flow-through monies. These guidelines apply to USF: Tampa campus (including USF Health), Sarasota-Manatee campus, and St. Petersburg campus.

#### Direct costs

- Salaries and fringe benefits of the Principal Investigator (PI), Co-PIs, and research and technical personnel.
- Laboratory supplies.
- Software purchased for scientific purposes.
- Repair and maintenance charges for scientific equipment.
- Other related costs (photocopies, travel, technical and scientific equipment, animal care and other services provided by specialized service facilities).
- Long-distance telephone charges.
- Travel.
- Consultants.
- Subcontracts or subgrants.

#### Indirect costs

- Clerical and administrative salaries and fringe benefits.
- Postage.
- Basic telephone service.
- Office supplies.
- Software purchased for general purposes (e.g., Microsoft Word).
- Subscriptions.
- Institutional and individual memberships.

**Exceptions will be permitted only under the following circumstances.**

Clerical and Administrative: Individuals whose salaries are paid from a federally sponsored project must have responsibilities specifically associated with the work of the federally sponsored project. The specific association requirement may be satisfied in one of two ways:

1. Unusually high levels of administrative activity associated with unusually large and complex projects such as program projects, cooperative agreements, coordinating centers, multicenter grants, or operation offices. Only in such cases, eligible responsibilities might include coordination of financial activities for multiple projects, core units, meetings for steering or advisory committees, pilot project programs, special reporting needs, etc.
2. Administrative work that is specifically related to the distinct scientific and technical requirements of the work of the sponsored project, such as data collection, maintaining subject/patient data, phone surveys, etc.

The Clerical and Administrative salaries must support a major project or activity. A major project would include:

- Large complex programs such as general clinical research centers, primate centers, engineering research centers, and other federally sponsored projects that entail assembling and managing teams of investigators from a large number of institutions.
- Projects which involve extensive data accumulation and entry, surveying, tabulation, cataloging and reporting such as epidemiological studies, clinical trials and retrospective clinical records studies.
- Projects that require making substantial travel and meeting arrangements for large numbers of program participants.
- Projects whose principal focus is the preparation and production of manuals and large reports excluding routine progress and technical reports.
- Projects that are geographically inaccessible to normal departmental administrative services, i.e., seagoing research vessels and radio astronomy projects that are remotely located from campus.

Postage: Direct charges for postage should be restricted to projects with a high demand for these items as described in the budget narrative.

Basic Telephone: Basic telephone charges may be direct charged to major projects/activities when justified as essential.

General Office Supplies: Direct charging of general office supplies should be restricted to projects with a high demand for these items as described in the budget narrative.

General Purpose Equipment: Direct charging of general purpose equipment should be restricted to projects where equipment is required to accomplish the project's distinctive scientific, technical and/or programmatic requirements and used exclusively for project activities and objectives.

Scientific Software: Direct charging of scientific software items should be restricted to projects that are specifically justified in the budget narrative and not specifically disallowed.

Non-federal Sponsored Agreements: All costs may be direct charged to a non-federal sponsored agreement as long as the awarding sponsor has approved them.

## **RELATED REFERENCES**

[Cost Accounting Standards \(CAS\) Exception Request Form](#)

[Cost Accounting Standards \(CAS\) Overview](#)

[ResearchCCHIP #002 Determining Costs Applicable to Sponsored Projects](#)

[ResearchCCHIP #003 Charging of Administrative and Clerical Salaries and Certain other Expenses to Federal Funds](#)

[Proposal Preparation Guidelines - TDC and MTDC](#)

[USF Guide on Uniform Guidance](#)