1. **Policy Statement**

As the recipient of a sponsored award, the University is obligated to ensure compliance with governing laws, regulations and terms and conditions of the award. In addition, the University is responsible for adhering to specific cost principles set forth in federal law that demand that all reimbursed costs be reasonable, allowable and allocable and that such costs be charged as either direct or indirect (F&A) costs. Administrative and clerical salary costs and programmatic salary costs are considered indirect costs and are generally not charged directly to a federal award. Direct charging of these costs may be appropriate under very specific conditions as outlined in this policy.

2. **Reason for Policy**

Under the Uniform Guidance § 200.413 Direct costs, certain administrative or programmatic salary costs may be charged as direct costs on competitive and non-competitive proposal budgets. This policy provides guidance on when these costs are appropriate.

3. **Who Should Read this Policy**

All members of the Rutgers University community who are responsible for sponsored program administration should read this policy.

4. **Definitions**

**Programmatic Salary Costs** are costs related to writing reports and articles, delivering special lectures about specific aspects of the ongoing activity, protocol development and maintenance, managing substances/chemicals, managing and securing project-specific data, and coordination of research subjects, and attending meetings and conferences (see UG § 200.430 Compensation–personal services).

**Administrative and Clerical Salary Costs** are related to general administrative or clerical duties, such as managing personnel data; facilitating large, collaborative groups; managing travel plans and reimbursement requests; data accumulation, entry and/or analysis; production of written materials/manuals.

**Integral** means the services are essential, vital or fundamental to the project activity and a minimum of 25% FTE compensation is budgeted in the grant’s budget year for such services unless there are documented special circumstances.

**Indirect Costs (F&A) Facilities and Administrative Costs** are actual costs incurred during the normal business activities of an organization that cannot be readily identified with or directly charged to a specific project or activity. F&A Costs are real, audited costs incurred by Rutgers each time it accepts an award for a sponsored project.

**Principal Investigator (PI)** (sometimes referred to as **Project Director (PD)**) most often is a faculty member who submitted a proposal that was funded by an external sponsor. The PI has primary responsibility for technical compliance, completion of programmatic work, and fiscal stewardship of sponsored funds.

5. **Policy and Procedure**

Administrative and Clerical Salary Costs should continue to be treated as indirect (F&A) costs in most sponsored programs. However, a PI may choose to direct charge certain Administrative and Clerical Salary Costs on a specific award, if all of the following conditions are met:

1. Administrative or clerical services are **integral** to the 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 prior written approval of the awarding agency
4. Such costs are not also recovered as indirect costs.
If all of the above requirements are met, PI’s must explicitly include these costs in the proposal budget and justification to facilitate the required agency approval.

Programmatic Salary Costs are allowable as direct costs when such costs are contributing and directly related to work under a specific award or agreement. These Programmatic Salary Costs are not subject to the same approval requirements as Administrative and Clerical Costs.

When charged as direct costs, both Administrative and Clerical Salary Costs and Programmatic Salary Costs are subject to all direct costing requirements of allocability, reasonableness, and allowability and as outlined in the terms of the award and incurred during the award period.

An administrative or clerical employee’s time may be fully or partially charged to a sponsored project with the balance charged to non-sponsored funding sources. The employee’s effort for any effort direct charged to the sponsored program must be certified via the effort reporting system.

If new or additional administrative or clerical support is required (over 25% of the amount previously approved) during the life of the award, PI’s must obtain approval from the sponsor.

6. Roles and Responsibilities

Principal Investigator (PI) identifies the need to include appropriate administrative and clerical salaries as direct costs on a sponsored program.

Department Administrator assists the PI in budgeting for and tracking administrative and clerical salaries costs in accordance with University policies and sponsor commitments and requirements.

Office of Research and Sponsored Programs (ORSP) provides expert advice on charging of administrative and clerical salaries costs per applicable sponsor requirements and University policies, and assists the PI/Department Administrator with obtaining prior approval from the sponsoring agency.

Grant and Contract Accounting (GCA) coordinates with ORSP to ensure that administrative and clerical salaries costs are charged in accordance with sponsor requirements.

7. Related Documents

- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, Final Guidance (including § 200.413 Direct costs)
- OMB Circular A-21, Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions

8. Contacts

- Office of Research and Sponsored Programs, (848) 932-0150, sponpgms@orsp.rutgers.edu
- Grant and Contract Accounting, (848) 932-0165, dgca1@rci.rutgers.edu