



Research Office Policy 16-005

## Direct Charging of Administrative and Clerical Salaries

**Responsible Executive:** VP for Research

**Responsible Office:** OSRAA

**Effective:** 12/26/2014

**Last Revised:** 7/1/16

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### I. Policy Statement

This policy summarizes Oregon State University's responsibilities and assists Principal Investigators (PIs) and other campus personnel with determining allowability when contemplating direct charge of administrative and clerical costs to sponsored awards. This guidance is intended to ensure that charges for administrative and clerical staff on sponsored awards are properly allocated in compliance with federal laws and regulations.

### II. Reason for Policy

Oregon State University (OSU) has a responsibility to comply with OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR §200) ("Uniform Guidance"), specifically section §200.413(c), which sets forth the requirements for the direct charging of administrative and clerical staff. In addition, Cost Accounting Standards for Educational Institutions 9905.502 requires that OSU classify costs consistently as either direct costs of projects or indirect costs benefiting multiple activities.

If improperly charged to an award, administrative and clerical staff costs will be deemed unallowable, resulting in reimbursement to the sponsor and possible penalties to OSU or research personnel.

### III. Scope & Audience

OSU personnel involved with the conduct and administration of sponsored award activities are affected by this policy.

### IV. Definitions

**Administrative and Clerical Salaries** – Salary for personnel who provide supporting services that benefit activities or objectives in a department, business center or other area of OSU. These functions include clerical support, financial management, procurement and human resources.

**Direct Cost** – Those costs that can be identified specifically with a particular project, or other internally or externally funded activity, or can be directly assigned to such activities relatively easily with a high degree of accuracy.

**Facilities & Administrative (F&A or Indirect) Costs** – those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the

cost objectives specifically benefitted, without effort disproportionate to the results achieved. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs.

**V. Website (specific to this policy)**

<http://research.oregonstate.edu/osraa/proposal-preparation/budget-development#adminsalarie>

**VI. Contacts**

Department	Phone Number	Website
Office for Sponsored Research and Award Administration (OSRAA)	541.737.4933	<a href="http://research.oregonstate.edu/osraa">http://research.oregonstate.edu/osraa</a>

**VII. Responsibilities & Procedures**

Salaries of administrative and clerical staff are not normally charged as a direct cost budget item, as they are included as part of OSU’s Facilities & Administrative (F&A) rate calculation. In exceptional circumstances, direct charging of administrative and clerical salaries may be appropriate where all 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 proposal budget or have prior written approval of the sponsoring agency; and
- The costs are not also recovered as indirect costs.

\*OSU has determined that integral means: (1) the services are essential, vital, or fundamental to the project or activity; AND (2) a minimum of 15% FTE is budgeted in the proposal’s budget year.

PI’s will be expected to describe how these administrative or clerical services are integral to the project/activity in their proposals. For modular budgets, administrative/clerical staff must be listed in the Personnel Justification within the Budget Justification section of the proposal, along with each person’s FTE.

**Unit/Individual Responsibilities:**

A comprehensive list of OSU Roles and Responsibilities may be viewed at: <http://research.oregonstate.edu/osraa/osraa-organization/roles-and-responsibilities>

### Principal Investigator

- Uses the criteria in this policy to determine if it is appropriate to direct charge administrative and clerical salary to the sponsored award
- Consults with OSRAA regarding the appropriateness of including administrative and clerical salaries in proposals and/or direct charging these costs to an award that did not include administrative and clerical salary in the proposal budget
- Includes budget description clearly identifying need, in conformance with criteria in this policy, for direct charging administrative and clerical salary in the proposal prior to submission for OSRAA review
- Provides justification, in conformance with criteria in this policy, for direct charging of administrative and clerical salary costs to a funded project when administrative and clerical salary were not included in the original proposal

### Business Center

- Assists PI as needed with necessary information to include in the proposal and/or post-award request to charge administrative and clerical salary to a sponsored award

### Office for Sponsored Research and Award Administration

- Provides guidance in the interpretation of federal requirements
- Reviews and approves the proposed administrative salary in the budget prior to submitting the proposal
- Reviews and approves the proposed addition of administrative and clerical salary to a sponsored award when such costs were not already approved in the proposal

### Procedure

If the PI has determined that the need for administrative and/or clerical support meets all of the criteria identified in this policy, a thorough budget description of the need must be described within the proposal documents in Cayuse before routing the electronic proposal to OSRAA for review. OSRAA will consult with the PI if additional information is needed, or if the inclusion of administrative and clerical costs in the budget is approved.

If it is determined during the lifetime of an award that the direct charging of administrative or clerical services is necessary, the PI will submit a revised budget, including a budget justification, to OSRAA for review and approval. OSRAA will consult with the PI if additional information is needed in order to document the allowability of these costs. OSRAA will advise if sponsor approval is required for the budget change and submit the prior approval request to the sponsoring agency, as necessary. Sponsor prior approval requirements will vary based on sponsored award terms and conditions.

## **VIII. Forms & Tools**

### **Frequently Asked Questions**

See OSRAA Website

## IX. Related Information

[OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Section §200.413\(c\) Direct Costs](#)

[OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Section §200.302 Financial management](#)

[CAS 9905.502 Consistency in allocating costs incurred for the same purpose by educational institutions](#)

[OSU Budget Preparation Guidelines](#)

## X. History

Last review date 7/1/16

Next scheduled review date: 6/30/18

Original issue date: 12/26/14

*Note: The Office of University Compliance will attempt to track the original issue date of policy and revision dates to existing policies but will not publish this information on the website.*