

## UVA COST ACCOUNTING STANDARDS GUIDELINES

### FEDERAL CIRCULAR A-21: COST PRINCIPLES FOR EDUCATIONAL INSTITUTIONS

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## I. FEDERAL CIRCULAR A-21: COST PRINCIPLES FOR EDUCATIONAL INSTITUTIONS

In Fiscal Year 2000, seventy percent of UVA's research funding came from federal sources. Anyone authorizing the expenditure of federal funds must understand and conform to the fundamental cost principles, or "cost accounting standards" (CAS) contained in Circular A-21, published by the federal government's Office of Management and Budget. [see: <http://www.whitehouse.gov/omb/circulars/a021/a021.html>] In simplest terms, the federal cost accounting standards, or "CAS", are a series of federal regulations which stipulate how educational institutions administer the financial aspects of grant management. The Department of Health & Human Services (DHHS) is the cognizant federal agency overseeing the administration of sponsored programs at the University of Virginia. In addition to other oversight relationships, UVA negotiates its Facilities & Administrative cost rates (a.k.a. F&A or Indirect Cost Rates) with DHHS.

### CAS APPLICABILITY

CAS covered sponsored projects can be defined as follows:

- All federal awards
- All awards that contain any federal flow-through money. If you discover the project is being funded with federal flow-through money after the award period has started, any unallowable direct charges need to be removed from the account.
- Awards where the terms and conditions of the proposal or award documents reference OMB Circular A-21 or Cost Accounting Standards  
*Note: There are State and University guidelines that are still applicable to all awards.*
- Awards where any sponsored project funds are being used as cost sharing on a CAS covered project. Only the individual cost(s) being used as cost sharing would be subject to CAS.

Awards not covered under CAS administration are still subject to the requirements listed in the award and University and State guidelines. Just because an award is not under CAS administration does not mean

expenditures unrelated to the award can be charged. All expenditures on an award must be reasonable, allocable and allowable.

Irrespective of CAS applicability, most awards include either audit clauses and/or financial reporting requirements. These clauses allow for the review of supporting documentation for all expenditures. The supporting documentation should validate the relationship between the expenditure and the purpose of the award.

## CAS RELATED DEFINITIONS

**Direct costs** - those costs that can be identified specifically with the objectives of a particular sponsored project, an instructional activity, or any other institutional activity, and that can be directly allocated to such activities relatively easily and with a high degree of accuracy. The issue of identification being made "with relative ease and a high degree of accuracy" relates to the ability to track and monitor direct cost expenditures consistently, clearly and exhaustively, and that the process is not overly burdensome.

Costs that provide direct benefit to a sponsored project's scientific or technical scope of work are considered direct costs. Some examples of technical expenses are the salaries, wages, and fringe benefits of the PI(s) and technical or research employees; laboratory supplies; and animals/animal care costs.

**Facility and Administrative costs** (F&A or indirect costs) - those costs that are incurred for and benefit common or joint objectives, and therefore cannot be identified specifically with a particular sponsored project, an instructional activity or any other institutional activity. Based upon the specific items included in UVA's F&A Cost Proposal, the University negotiates with the federal government (through ONR) to determine the percentage (rate) at which F&A costs will be reimbursed. The amount which the federal government pays UVA for F&A costs incurred does not represent the total amount spent on the same.

The University of Virginia IS reimbursed for those costs categorized as F&A costs (though not at a rate of 100%). To directly charge those items we are included in UVA's F&A Cost Proposal constitutes double charging the federal government for the same expenditure. This is one of the situations which the federal government and Circular A-21 seeks to avoid.

Salaries and related benefits of those employees who perform non-technical support activities, and supplies and other expenses used to provide clerical or administrative project support are considered administrative expenses, and may not normally be charged directly to CAS covered projects. Examples of administrative expenses are the salaries, wages, and fringe benefits of administrative and clerical staff; office supplies; postage; local telephone costs; and memberships. Such costs are normally included in F&A (indirect) costs, but may be charged directly to a government sponsored project if 'unlike circumstances' are met.

**Cost Sharing** - refers to that portion of total project costs of a sponsored agreement borne by the University rather than the sponsor. Committed cost sharing is the amount of project costs that UVA agrees to contribute as part of the performance of the sponsored agreement. Committed cost sharing becomes part of the Organized Research base upon which F&A rates are calculated.

**Major project or activity** - as defined in A-21, is a project or activity 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. Major projects/activities are those that are administratively intensive and are not necessarily defined by the amount of funding.

**Non-major project or activity** - is a project or activity that is not administratively intensive and only requires the level of administrative or clerical support that is routinely provided by academic departments. An aspect of the non-major concept is the limited ability to measure or quantify administrative effort provided to a specific project/activity. Some elements and examples of non-major projects/activities are:

- No extraordinary data collection requirements
- NIH Career Development (K) Awards
- NASA Training Grants

NSF awards that support one PI and one or two graduate students (however other circumstances may make the project major)

**Unlike Circumstance** - A situation where an expenditure which is normally considered to be an F&A cost meets criteria to be charged directly to the sponsor. These costs must:

- fit the definition of a direct cost (specifically identifiable with the objectives of the science, identification made with relative ease and a high degree of accuracy),
- be extensive in nature (in comparison with research activity across grounds at UVa),
- be included in the proposal budget
- be justified adequately in the Proposal Approval ["goldenrod"] form (see page 6 for details),
- be approved by the appropriate University authorities (OSP or OGCA in the School of Medicine)
- be approved by the sponsor

## CAS PRINCIPLES & ILLUSTRATIONS

OMB Circular A-21 requires that all costs being charges to the federal government pass the following criteria:

**Allowability** - The cost must be allowable under both the provisions of the Circular AND under the terms of the particular award. Costs considered "unallowable" in accordance with various authoritative documents and the individual sponsors must be identified and accounted for separately. These costs may **not** be budgeted, charged or reported to a sponsor.

**Allocable** - The project which pays the expense must directly benefit from it.

**Reasonable** - An expense must be reasonable, in that a "prudent person" would have paid the said amount for it.

**Consistent** - All costs incurred for the same purpose, in like circumstances, are either to be treated as direct costs OR indirect costs.

A-21 also generally defines those costs which may be charged directly, and those for which we are reimbursed through the F&A cost rate. When developing a sponsored project proposal, the Principal Investigator (PI) builds a budget which reflects the project's direct costs (e.g., researchers salaries, equipment) --- the costs which are relatively easy to associate directly with the objectives of the project, and then applies the negotiated F&A rate to add the cost of space, utilities, office supplies, and other essential infrastructure "overhead-type" expenses to the budget.

### Hypothetical Illustration

#### *Allowability*

Professor Smith's grant includes funds for travel to a conference in Boston. Mary Johnson, a graduate student in Professor Smith's lab, has been invited to present a paper at this conference. There are no prohibitions against travel on the award, and the initial budget included such expenses, so Mary's travel costs are *allowable*. Some awards specifically identify travel costs as *unallowable*, and if that were the instance here, Mary could travel to the conference, but could **NOT** charge the expenses of the trip to this grant.

At the conference, Mary has dinner with a colleague and orders wine (she is of legal drinking age in the state of Massachusetts). The cost of the wine (plus tax and tip for it) is an *unallowable* cost (as identified in A-21), and that part of the bill may NOT be charged to the government. The University of Virginia could reimburse Mary for this portion of her dinner expense, but the money must come from non-federally sponsored funds.

#### *Allocability*

This particular conference focuses on the research activity funded by Professor Smith's grant. Mary will be presenting her paper and interact with colleagues at other institutions. The expense of this trip will benefit the objectives of the project, and is therefore an *allocable* cost. Accordingly, when Mary submits expense reports for reimbursement, she should maintain documentation regarding conference

agenda or other documentation to support the relationship between the travel and the project which paid for it.

#### *Reasonableness*

Mary's presentation was superb and received significant acclaim for herself and Professor Smith during the conference. After a phone conversation relating the same to Professor Smith, Mary celebrated in a big way, and enjoyed a dinner on her last evening in Boston which (excluding alcohol) totaled \$150 per person. Although the conference trip was allowable and allocable, the specific cost of that dinner is NOT *reasonable*, and only a portion of the dinner's total cost would be reimbursed.

#### *Consistency*

Relative to her presentation at the conference in Boston, Mary intended to mail a box of 100 copies of her PowerPoint presentation in advance to have it to distribute to members of the audience. Since, at the University of Virginia, the mailing of "project deliverables" are considered a normal part of routine business expenses and are considered F&A costs *inclusively* across grounds and projects, the cost of mailing these presentation outlines directly charged to the project would NOT be allowed. [See page 8 under 'Postage Expenses'.]

### GENERAL CRITERIA FOR DETERMINING HOW COSTS ARE CHARGED TO SPONSORED PROJECTS

The proper classification (direct versus F&A) of any charge should be determined based on a logical thought process. This process can be described in four steps as follows:

1. **Review** - Regulations, Policies, Procedures applicable to the project. This would include internal or institutional regulations, policies and procedures (for example, UVa's Disclosure Statement and our Financial Administration Policies and Procedures; see website: <http://www.virginia.edu/%7Epolproc/index.html>) as well as any external regulations, policies, or procedures (for example, A-21 and other relevant federal circulars, sponsor terms and conditions, and specific award terms and conditions).
2. **Judgment** - Based on the review of specific facts and circumstances, a judgment is made by the institution's appropriate personnel as to the proper allocation (direct vs. F&A).
3. **Justification** - Appropriate level of justification disclosed in the proposal narrative or "Narrative Budget Justification" page (or a justification is prepared when the need arises during the life of the project that could not have been anticipated in the proposal process). This justification is reviewed and approved by the Director of Grants and Contracts for the School of Medicine, and for all other schools, approval is provided by the Director of Sponsored Programs.
4. **Agency Approval** - of budget based on justification in the proposal and reliance on the fact that the institution made an informed decision based on the particular facts and circumstances.

#### Exceptions or "Unlike Circumstances"

There are some costs that can be direct or F&A depending on the facts and circumstances of the individual project. The questions that should be asked to determine if it can be charged as a direct cost are:

- 1) Does the cost provide a direct benefit to the purpose or objective of the project as opposed to a cost that is "needed" to complete the project but is incidental to the purpose?

For example, 100 (one hundred) three ring binders in Project A are "needed" to organize lab notes. The purpose of the project is to measure the effect of MMX processing on DOS based software. For Project B, 100 (one hundred) 3 ring binders are needed to organize class materials for a workshop. One of the stated objectives in the project is to present a three month workshop to the top 100 Biology teachers in Virginia on ethics in genetic research.

The one hundred binders in Project A are needed to complete the project, but do not provide a direct benefit to the purpose or objective of the project. The value is incidental to the purpose of the project, therefore the cost would be classified as indirect. In Project B, the 100 binders provide a direct benefit to the purpose of the project as stated in the proposal. Therefore, the cost would be classified as direct and can be charged to the project in the supplies cost category.

- 2) Can the cost meet the definition of a direct cost? Can the cost be specifically identified with a project with relative ease and with a high degree of accuracy and allowed by all terms and conditions governing a particular award?
- 3) For clerical and administrative salaries, do the facts and circumstances meet the criteria to qualify as an exception ("unlike circumstances") as described by OMB guidelines to the general rule concerning F&A costs?

Cost Accounting Standards require consistent treatment of costs in "like circumstances" across grounds. Consequently "unlike circumstances" must be demonstrated/justified if a cost which is normally considered as F&A is to be budgeted, charged, and reported. The following arguments **cannot** be employed to demonstrate "unlike circumstances":

- a) Sponsor approval of the budget allocation of a particular cost without proper review by the institution (i.e. steps 1-3 above).
- b) Insufficient F&A cost money returned to support the projects
- c) Sponsor limits or will not pay F&A costs
- d) Sponsor is willing to pay for the cost as a direct charge

#### RELIANCE ON AGENCY APPROVAL

Sponsor approval of a budget does not constitute approval of the specific line items. The sponsor assumes researchers at UVa have complied with A-21, the Cost Accounting Disclosure Statement, our F&A cost proposal assumptions, and any other regulations cited. **A cost that may be allowable at one institution as a direct charge may not be allowable at another because of the differences in the Disclosure Statement and the F&A cost proposal.** There would be no way for any sponsor to make a determination of allowability because of these variables; therefore, it is the institution's responsibility to exercise this judgment.

## II. POLICY ISSUES

The following statements should serve as the basis for administering all CAS covered sponsored projects. The lack of available F&A cost funds is an irrelevant factor in your decision making process.

1. Proposal budgets should be developed utilizing specific items and cost categories which are consistent with the University's financial accounting practices unless the sponsor requires other presentation. For example, the following major cost categories could be used when determining a budget:

- Salaries/Wages
- Fringe Benefits
- Subcontracts
- Consultant Services
- Technical Services
- Supplies
- Equipment
- Current Charges
- Trainee Travel
- Trainee Stipends
- Tuition and Fees
- Travel - Domestic
- Travel - Foreign
- Health Care Services
- Other Contractual Services

**IT IS THE COMBINED RESPONSIBILITY OF THE PRINCIPAL INVESTIGATOR, THE RESPECTIVE RESEARCH ADMINISTRATOR AND THE DEPARTMENT CHAIR TO REVIEW THESE BUDGETS AND DETERMINE IF ALL COSTS ARE ALLOWABLE AND ALLOCATED CORRECTLY BETWEEN DIRECT AND F&A COST CATEGORIES.**

**A brief budget narrative should accompany the budget describing the costs within each category. The Director of Sponsored Programs [or the Director of Grants and Contracts for the School of Medicine] must approve any proposed direct charging of costs which would typically be an F&A expense (i.e., justifications of unlike circumstances).**

There are some costs within the major cost categories (listed above) that require additional documentation. **A detailed narrative budget justification must be prepared for any of the following costs if budgeted within a major cost category:**

- a. Administrative and clerical salaries
- b. General office supplies
- c. Postage
- d. Local Telephone
- e. Individual memberships and subscriptions

Any costs associated with these categories must be specifically documented in the budget.

**2. Part Three of the Proposal Approval Sheet must be completed and submitted with the proposal whenever its budget contains (direct cost) items which would typically be an F&A expense.**

See the attached **Examples of Items Not Typically Allowable as a Direct Expense on a Federal Award** for those items which are typically *NOT* considered to be direct costs.

#### JUSTIFICATION

The justification must explain the purpose of the costs in sufficient detail to enable those responsible for reviewing the proposed budget to make a determination of whether the cost meets the definition of an "unlike circumstance". This justification must be noted in Part Three of the Proposal Approval Sheet. Also, as specified in Part Three, if copies of job descriptions for administrative or clerical positions noted in the proposal are not already on file at the Office of Sponsored Programs, they must be included with it.

If the need to incur expenses in these categories occurs during the project (i.e., they were not included in the proposed budget), a narrative budget justification must be prepared before the expenses can be re-budgeted or charged as a direct charge. This justification should be routed to the Office of Sponsored Programs using an SP-23 form. If the need involves administrative or clerical salaries, a copy of the job description will be required if not already on file with OSP.

**3. Costs (i.e., specific cost items) incurred for the same purpose in like circumstances must be budgeted and expended consistently throughout research activities at UVa. In other words, when similar circumstances exist throughout separate projects, each specific cost item is to be budgeted/expended as either a direct or an F&A cost consistently in each case.**

Listed below are additional policy clarifications for several specific cost issues.

#### ADMINISTRATIVE AND CLERICAL SALARIES/WAGES/FRINGE BENEFITS

The following categories of costs are normally treated as F&A and are covered by the negotiated F&A cost rate.

There may be exceptions when the Office of Management and Budget (OMB) permits the direct charging of these costs. Direct budgeting and charging of such costs may be considered where a major project or activity explicitly budgets for administrative or clerical salaries and the individuals involved can be specifically identified with the project or activity.

The nature of the work or actual functions performed under a particular project should require an extensive amount of administrative or clerical support which is significantly greater than the routine level of such services provided by academic departments.

**The following are specific examples** of when direct charging of administrative and clerical salaries/wages and fringe benefits **might be allowable** (with adequate justification in the proposal narrative **and** upon approval by appropriate institutional officials **and** the sponsor):

- major projects such as centers or other projects that entail assembling and managing teams of PI's from a number of institutions.
- specific research activities involving extensive data collection, statistical analysis and entry, database management, surveying, tabulation, cataloging and researching literature.
- 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 or books. (This does not include routine progress and technical reports).
- projects that are geographically inaccessible to normal departmental administrative services such as seagoing research vessels and other research field sites that are remote from the campus.

All of these circumstances display, with relative ease and a high degree of accuracy, extensive amounts of administrative/clerical effort on a particular project (or in the case of a remote location, inaccessibility to normal departmental services). This effort is considered greater than the routine level of service normally provided by the school or department. However, **these examples do not constitute an exhaustive list, nor do they imply that direct charging of administrative or clerical salaries would always be appropriate** for the situations illustrated in the examples. Projects cannot be grouped together to meet the requirement that there be an extensive amount of support. If the cost does meet the test of an extensive amount of administrative and clerical effort, but cannot meet the direct charge criteria stated above the cost must be charged indirect.

Adequate justification must be provided in the proposal narrative for the direct charging of costs in this category, showing that the clerical and administrative salaries met the criteria for unlike circumstances.

**Routine account monitoring, proposal processing, typing of general correspondence, manuscripts or technical reports, ordering of supplies, and meeting/travel arrangements are not included in the definition for direct charging of administrative and clerical salaries and is covered by the University's F&A cost rate.**

Inadequate funds to support these charges as F&A is not adequate justification for charging this support as a direct cost.

*See the Charging Administrative and Technical Expenses flow chart on determining the appropriate cost allocation on page 15.*

#### GENERAL OFFICE SUPPLIES

Costs include those incurred in support of routine administrative activities associated with instruction, public service, research and other institutional activities (i.e., paper, pencils, pens, ink, toner cartridges, etc.). Exceptions consist of instances where the purchase of the supplies is extensive in nature, specifically identified to the project, **and** meets the definition of a direct charge. Adequate written justification should be provided in the proposal narrative for the direct charging of costs in this category, and on page 3 of the Proposal Approval/Goldenrod form, explaining how the supplies are a direct benefit to the purpose of the project, and how they can be specifically identified with the objectives of the project. Supporting documentation must be adequately detailed to pass an audit.

See the *Charging Administrative and Technical Expenses* flow chart on determining the appropriate cost allocation on page 14.

### POSTAGE EXPENSES

Postage expense incurred in support of routine administrative communication activities associated with instruction, public service, research, and other institutional activities should not be charged directly to sponsored accounts. The only exceptions are those cases where extensive postage expense is required in support of the goals and objectives of the sponsored award being charged. For example, if the purpose of your project were to survey 10,000 high school students to determine their attitudes on violence in the school system, the postage for the survey would be an allowable direct charge.

The written justification should demonstrate that the postage provided a direct benefit to the purpose of the project, is extensive, and can be specifically identified with the project. In addition, support documentation must be adequately detailed to pass an audit.

Mailing technical reports and other project deliverables are considered part of normal, routine business expenses and are therefore considered F&A costs. Postage expenses include US Mail, Federal Express, UPS, etc. **The difference between postage (F&A) and freight (direct) is driven by the item(s) being sent, not the means by which it is sent.**

### TELEPHONE AND VARIOUS OTHER COMMUNICATION EXPENSES

Communication expenses incurred in support of routine administrative activities associated with instruction, public service, research and other institutional activities should not be charged directly against sponsored projects. Exceptions are long distance calls, and fax long distance charges which are specific to a project and incurred for the sole direct benefit of the project. Support documentation must be adequately detailed to pass an audit. Installation charges, monthly use charges, local access calls, pagers, cell phones, etc., are considered F&A costs and should not be charged directly to sponsored accounts.

### MEMBERSHIPS AND SUBSCRIPTIONS

Generally, individual memberships are unallowable and are rarely justifiable. Individual memberships in civic or social organizations are expressly unallowable. An individual membership or subscription to a professional group or periodical may be allowed as a direct charge to a contract or grant **only** if the following can be demonstrated:

1. An institutional membership is not available or will not meet the needs of the project, and
2. The cost has been justified (i.e., provides a direct benefit to the purpose of the project) in the proposal or a justification is on file with the Office of Sponsored Programs if the need arises after the project was awarded.

### PRINTING, BINDING, PUBLICATION AND COPYING

These costs are normally direct charges to a contract and grant account as long as you can meet the definition of a direct charge. One important criteria to this definition is that you must be able to specifically identify the charge to a particular project with relative ease and high degree of accuracy and that cost must provide a direct benefit to that project sometime during the life of the award.

The costs of disseminating research results (i.e. publication costs or page charges) are allowed as a direct charge to the project **from which the research was obtained**. As with any other direct charge, the cost must meet general A-21 guidelines in that it must be reasonable, necessary, allowable, allocable, timely, not for personal use, and must provide a direct benefit to the project.

With respect to copying costs, if you are using an outside copy service, the invoice should be retained as documentation to support the charge. If you are using a departmental copier, charges must be a per copy charge and must be based on a cost study. In other words, you cannot charge the associated expenses of the copy machine such as toner cartridge, paper, etc. directly to a contract or grant due to allocation problems among the many uses of the machine (i.e., contradicts "relative ease and a high degree of accuracy"). The per copy cost must be based on total utilization of all activities (research, instruction, public service and other), not just research usage. In addition you must maintain documentation of the use through a log. **Copying of proposals or general correspondence not related to a specific project cannot be charged as direct costs since these costs cannot meet the definition of a direct charge.**

## EQUIPMENT

UVa has defined equipment (versus supplies) for contract and grant accounts with a project start date of October 1, 1999 or later in the following manner:

Capitalized Equipment - nonexpendable, tangible, personal property having a useful life of one year or greater and an acquisition cost of \$2,000 or greater.

Non-capitalized Equipment (these are considered supplies) - nonexpendable, tangible, personal property having a useful life of one year or greater and an acquisition cost of less than \$2,000.

Equipment fabrication - occurs when multiple items which could be classified as supplies (some having acquisition costs of \$2,000 or <) are purchased to create/fabricate an integrated unit of equipment having a total value of \$2,000 or more. In these instances, the individual purchases should be accounted for as equipment.

## COMPUTERS

Computers are normally considered to be within the scope of general office supplies. In order to meet the criteria of an "unlike circumstance" and be directly charged to a grant, predominant usage of a computer would have to be tied to the objectives of the science of the project.

## SERVICE CENTERS

Costs identified to a particular sponsored project for the use of University-owned labs and other service centers should be budgeted, charged, and reported as direct costs. These charges must be based on actual utilization supported by adequate documentation. These charges must also be based on a usage rate approved by the Department of Financial Analysis. The rate must be approved before the charge is incurred by the sponsored projects.

## COST SHARING

A cost used to meet the cost sharing commitments of a sponsored project will be allowed only to the extent that the charge would meet the criteria as a direct charge. In addition to the specific criteria discussed above, the charge must be allowable under the particular facts and circumstances of the award. If the cost would be classified as an F&A charge, it will not be allowed to meet the cost sharing commitments of that particular project.

## FEDERAL FLOW-THROUGH

If you discover the project is being funded with federal flow-through money after the award period has started, any unallowable direct charges need to be removed from the account.

## FUNDING DELAYS

Direct or F&A costs should only be charged to a particular project if they relate to the project. Delays in receipt of future funding is not justification for charging costs to an unrelated project. If charges are necessary before the receipt of the funding, a request for a pre-award account should be made through established procedures.

## COST ACCOUNTING STANDARDS AND CENTER STATUS

Research Centers are not automatically excluded from Cost Accounting Standards (CAS). A-21 references centers as a type of "major project or activity." The government's use of the term is meant to refer to a Federal Center that is funded by a Center Grant. In these cases, the Center is not automatically exempt from CAS; however, the government states that a case for unique treatment of specific costs associated with expenses directly related to that individual Center award might be made.

UVA recognized Centers might meet the definition of a "major project or activity" as defined by A-21 but the fact that they are formally recognized by UVA is not a factor in this decision. A Center of this type, having numerous funded projects would be treated no different than a department in regard to CAS.

A "Major project or activity," as defined in A-21, is a project or activity 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. Major projects/activities are those that are administratively intensive and are not necessarily defined by the amount of funding.

A-21 provides examples of major projects, which are listed below in bold type followed by UVA-specific examples. The examples illustrate projects where direct charging of administrative expenses might be appropriate. These examples are not exhaustive, nor are they intended to imply that direct charging of administrative expenses would always be appropriate for the situations illustrated in the examples.

### **1. 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.**

UVA examples:

- Grants/Contracts that make multiple or complex subawards to different faculty and/or other institutions.
- Large complex programs such as the Center for Biological Timing, The Long Term Ecological Research program, and the General Clinical Research Center in the School of Medicine.
- Program Project Grants (with subawards/suballocations given to different faculty)

### **2. 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).**

UVA examples:

- Grants/Contracts with clinical components involving substantial patient care or patient care data (including patient recruitment and patient billing)
- Education research projects that require extensive data collection and dissemination
- Telephone or mail surveys

**3. Projects that require making travel and meeting arrangements for large numbers of participants, such as conferences and seminars.**

UVA examples:

Conference/workshop grants

**4. Projects whose principal focus is the preparation and production of manuals and large reports, books and monographs (excluding routine progress and technical reports).**

UVA examples:

- Curriculum development grants
- Grants to develop electronic reference materials

**5. Projects that are geographically inaccessible to normal departmental administrative services, such as research vessels, radio astronomy projects, and other research field sites that are remote from campus.**

UVA examples:

- Grants/Contracts partially or entirely performed off-campus (locations remote from campus)
- Dissertation grants when performed at a remote location
- Other research conducted at field sites remote from campus

**6. Individual projects requiring project-specific database management; individualized graphics or manuscript preparation; human or animal protocols; and multiple project-related investigator coordination and communications.**

UVA examples:

- Projects requiring extensive administrative management/record keeping of human or animal subjects performed by an administrator rather than technical staff



## **Examples of Items Not Typically Allowable as a Direct Expense on a Federal Award**

Audio/Visual Equipment  
Beepers  
Books  
Calendars  
Cell Phone and related charges  
Clerical Salaries  
Cloth Lab Coats  
Color printer stylus  
Fed Ex: applications, publications, etc.  
General Copies  
Hanging Folders/Manila Folders  
Inkjet stylus  
Instruction manual for software such as Excel  
Internet Connections and Dial-up Costs  
Lab Notebooks  
Labels  
Legal Pads  
Local Phone Charges  
Memberships  
Office Furniture  
Overhead bulb  
Palm Pilots  
Paper for copies, printers, etc.  
Paperclips, binder clips  
Pens, pencils, markers  
PhotoShop, Office 2000, Adobe Acrobat, Corel Draw, Windows Upgrade  
Pins  
Postage  
Poster Board  
Post-it Notes  
Service contract on copier  
Sharpies  
Stapler/Staples  
Subscriptions (i.e., journals, magazines)  
Toner Cartridges  
Transparencies  
Write/Read-Write CD's  
Zip Disks/Diskettes

### **Services**

Moving crates and boxes  
Putting up shelving  
Replacing cold water line

### **Generally Unallowable Charges**

Entertainment  
Food/Alcohol  
Picture Frames, Jefferson Cups (Gift-related items)

## CHARGING ADMINISTRATIVE AND TECHNICAL EXPENSES

