

University of Colorado Denver
Instructions for A-21 Checklist for Direct Charging of Administrative Costs to Federal Projects

WHY IS THE CHECKLIST REQUIRED? Federal regulations (OMB A-21) require that costs must be consistently treated as either direct or F&A (Facilities and Administrative) costs. Consistency, in this context, means that costs incurred for the same purpose, in like circumstances, must be treated uniformly as either direct costs or as F&A costs. Thus, since certain types of costs, such as the salaries of administrative/clerical staff, membership dues, office supplies, postage, and local telephone are normally treated as F&A costs, the same types of costs cannot be charged directly to federally sponsored agreements, unless the circumstances related to a particular project are clearly different from the normal operations of the institution. The Checklist is used to ensure that the University of Colorado Denver (UCD) is consistent in their treatment of administrative costs for all federally sponsored projects at UCD. **This form is for internal use only.**

For more details see Fiscal Policy 4-7, [Direct Charges to Federally Sponsored Projects](#).

WHEN IS THE CHECKLIST REQUIRED? This Checklist is to be completed when the following costs that are normally treated as F&A costs are proposed or anticipated after the proposal has been awarded as a direct cost to a federally sponsored project or federal flow-through project:

1. Administrative or clerical salaries
2. Local telephone service
3. Membership dues in a technical or professional organization
4. Office Supplies
5. Postage

EXCEPTIONS:

The types of projects listed below do not need to complete a Checklist if 1) the cost is specified in the proposed budget of the sponsored agreement, and the special circumstances requiring direct charging are justified in the proposal; and 2) The sponsoring agency accepts the cost as part of the project's direct cost budget (i.e., does not specifically disapprove the cost in the award or other notification to the University); and 3) costs meet basic federal requirements, i.e., benefit project, reasonable and necessary for performance of agreement.

1. Program Projects
2. Center grants
3. Fellowships**
4. Training grants**
5. Conference grants
6. Grants to develop and/or disseminate educational manuals or materials

For these projects, although a Checklist is not required, Grants and Contracts may review budget justifications and costs and follow-up with departments to resolve any questions.

****Note:** Fellowships and training grants do not need to submit a Checklist even if costs are not included in the budget. Costs still need to comply with terms of the agreement.

WHAT IS THE CRITERIA TO ALLOW A DIRECT CHARGE? In addition to completion and approval of this Checklist, direct charging of an administrative cost must meet all of the following conditions:

1. The cost is specified in the proposed budget of the sponsored agreement, and the special circumstances requiring direct charging are justified in the proposal.
2. The sponsoring agency accepts the cost as part of the project's direct cost budget (i.e., does not specifically disapprove the cost in the award or other notification to the University). For projects that do not require submission of a project budget to the sponsoring agency, e.g., NIH modular grants, the cost must be justified and approved by Grants & Contracts by submission of the "Checklist" described later in Section E. It should be noted that approval by an agency (i.e. NIH) does not necessarily make the administrative costs appropriate. NIH states that the organization is responsible for presenting costs consistently and must not include costs associated with their F&A rate as direct costs. The Checklist is the tool used to ensure consistent treatment of administrative costs at UCD.

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3. Special Project Needs
 - a. The project has a special need for the item or service that is beyond the level of services normally provided by the administrative unit personnel because it is considered a “major” project by OMB A-21 standards. See examples in UCD Fiscal Policy 4-7, Section E.3.

Or
 - b. The cost can be specifically identified to the technical scope of work conducted under the project and is appropriately documented. The project does not need to be major for those costs to qualify as technical costs and to be charged directly. They must, however, meet the other conditions in Section E.1 in order to be directly charged.
4. The cost must meet basic federal requirements identified in Section E of the policy.
5. If the cost meets the conditions described above, but was not in the approved budget, it may be charged directly only if:
 - a. UCD has re-budgeting authority if different category under Federal regulations or the terms of the award or sponsor approves changes.
 - b. Written justification is prepared (via the Checklist) which adequately explains the need for the cost and why it was not included in the proposal submitted to the sponsoring agency.
 - c. Acceptance is provided by Grants & Contracts.

WHAT ARE EXAMPLES OF PROJECTS THAT DIRECT CHARGING MAY BE APPROPRIATE?

Below are examples of circumstances under which it may be appropriate to directly charge federally sponsored projects for administrative costs:

1. Large, complex programs, such as Clinical and Translational Science Award Programs, Primate Centers, Program Projects, environmental research centers, engineering research centers, and other programs that entail assembling and managing teams of investigators from a number of institutions;
2. Programs that 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;
3. Programs that require travel and meeting arrangements for large numbers of participants, such as conferences and seminars;
4. Programs with a principal focus of preparing and producing manuals and large reports, books and monographs (excluding routine progress and technical reports);
5. Programs that are geographically inaccessible to normal departmental administrative services, such as seagoing research vessels, radio astronomy projects, and other research field sites that are remote from the campus;
6. Individual programs requiring specific database management; individualized graphics or manuscript preparation; human or animal protocol; Institutional Review Board (IRB); and multiple program-related investigator coordination and communications.

These above examples are not exhaustive, and are not intended to imply that direct charging of administrative or clerical salaries/supplies would always be appropriate for the situations illustrated in the examples. When direct charges for administrative and clerical salaries/supplies are made, care must be exercised to assure that costs incurred for *the same purpose in like circumstances* are consistently treated as direct costs for all activities. This “Checklist” is a tool to provide consistency in the treatment of costs among all federally sponsored projects at UCD.