



Downstate Health Sciences University
Office of Research Administration

The Research Foundation for SUNY
Policy and Procedure

Subject: Charging Administrative Salaries to Grants/Contracts

Effective Date: August, 2014

Issued By: The Office of Research Administration (ORA)

Responsible parties

- Office of Research Administration
- Academic Departments
- PI- Principal Investigators

Background:

On July 26, 1993, the (Federal) Office of Management and Budget issued regulations which limit those instances where the salaries of administrative and clerical staff may be charged as a direct cost to grants and contracts awarded by Federal agencies. This policy is issued to implement the Federal rules, which took effect on July 1, 1994, and to set forth guidance on when such salaries may, any may not, be directly charged to Federal awards.

Purpose:

As a recipient of Federal awards, the University is obliged to comply with numerous rules and regulations promulgated by Federal agencies. Those agencies includes the Office of Management and Budget (OMB), which sets forth broad policies governing grant and contract financial administration, as well as numerous individual agencies which award grant and contracts, such as the Public Health Service (PHS), and the National Science Foundation (NSF), which have their own agency-specific regulations for administering grants and contracts. Periodically, OMB revises its Uniform Guidance Part 200, which sets forth principles for indirect cost applicable to federally sponsored grants and contract. The Circular prescribes the types of costs which should be treated as indirect cost, and therefore not customarily directly charged to Federal awards. The Circular specifically includes the salaries of administrative and clerical staff in this latter category.

Applicability:

This policy governs every instance where any portion of the salary of an administrative or clerical employee is to be charged to a Federal grant or contract, whether awarded directly to Downstate as a prime recipient, or indirectly through a sub-agreement from another institution. It does not limit the support of such salaries from non-Federal awards or other funding sources consult the policies of those agencies for guidance.

Policy:

Through issuance of this policy, the University advises all faculty and staff involved in the application for, or administration of Federal grants and contacts that the above principles must be adhered to. Further, following the

guidance presented below, where any portion of an administrative or clerical salary is directly charged to a Federal project, the responsibility for documenting the appropriateness of that judgement and for compliance with the Federal requirements, whether at the time of the transaction or subsequently upon audit or other request, rest with both the Principal Investigator and the academic department.

Administrative and Clerical Salaries Which May NO Be Charged Directly To Federal Grants and Contracts

In conducting academic activities, whether they are related to research teaching or other institutional objectives, academic units clearly require administrative support to complement the technical and professional personnel who carry out those activities. Although there are differences among the various academic units, there exists within each department a core of administrative personnel who support the various departmental academic missions by providing a broad range of general support services, including secretarial and clerical support, procurement of materials and services and accounting and bookkeeping. This core of general support services at the academic department level which supports a broad range of activities, comprises what the Federal Circular defines as "departmental administration." Accordingly, academic units may not directly charge federal contracts for any portion of the salary of individuals who are engaged in providing this type of baseline departmental service. Similarly, academic unit may not assess a "tax" or other similar means of assessing charges to Federal grants and contracts as a means of recovering the cost of administrative effort.

Administrative and Clerical Salaries Which May Be Charged Directly to Federal Grants and Contracts

Although the salaries of administrative and clerical staff should not be charged to grants and contracts, direct charging of these costs would be appropriate where either:

- The nature of the work performed under a particular project requires an extensive amount of administrative or clerical support, or
- The tasks to be performed under a particular project relate specifically to the technical substance of the project

Examples of Situations Where Direct Charges May be Appropriate

The following examples are illustrative of circumstances where direct charging the salaries of administrative or clerical staff may be appropriate:

- Large, complex programs, including Program Projects, General Clinical Research Centers, Primate Centers, environmental research centers and other grants and contracts that entail assembling the managing teams of investigators from a number of institutions
- 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
- 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, books and monographs (excluding routine progress and technical reports)

The foregoing examples are not exhaustive, nor are they intended to imply that direct charging of administrative or clerical salaries would always be appropriate for the situations illustrated in the examples. The judgment as to whether a direct charge for administrative or clerical salaries is appropriate for a particular award must be based on a facts and circumstances test, which considers the needs of the science; accordingly, such judgment can only be made by the Principal Investigator. If the determination is made that it is appropriate to direct charge the salary of an administrative or clerical staff member, additional requirements must be satisfied.

Additional Requirements for Charging Administrative and Clerical Salaries Directly to Federal Grants and Contracts

Although the Principal Investigator may conclude that a particular project satisfies the criteria for direct charging clerical and administrative salaries, the Federal requirement is that such costs must be explicitly budgeted and the individuals involved is specifically identified with the project or activity, must nevertheless be satisfied. Accordingly, when the requirements above have been satisfied, the effort of such individuals may be charged to the grant or contract only when:

- Such effort is explicitly budgeted in the grant and is approved by the funding agency. Agency approval will be assumed if the salary of administrative or clerical staff is budgeted and not specifically denied in the notice of grant award or in related correspondence from the agency to the University. Approval by the funding agency will be deemed to satisfy the Federal criteria for directly charging administrative and clerical salaries to grants or contacts
- The salary of the specific individual devoting effort to the project is charged to the project. Departments may not "share" or "rotate" support of a pool of administrative support personnel, but must discreetly charge the individual engaged in supporting a particular grant or contract
- The signature of the Principal Investigator appears on the Employee Assignment form and/or the Employee Change form.

Charging Administrative and Clerical Salaries to Activities Other than Federal Grants and Contracts

- In addition to their work on federally sponsored projects, administrative and clerical personnel may be assigned duties related to (i) non-federally sponsored projects and (ii) other university functions. Uniform Guidance requires that the University treat such activities in a manner that is consistent with the accounting for charges to sponsored projects.
- When preparing the forms for HR, only indicate the percent of effort for the sponsored project and non-sponsored project. Administrative and clerical activities at the department level should not be included on these forms.

Forms:

Employee Assignment Form
Employee Change Form