

# Administrative and Clerical Salaries on Federal Sponsored Awards

SPA-11-020



## About This Policy

**Effective Dates:**

12-26-2014

**Last Updated:**

01-21-2015

**Responsible University Administrator:**

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## Scope

This policy applies to Federal and Federal flow through assistance (e.g., grants and cooperative agreements) awarded to Indiana University. This is intended for use by Indiana University faculty and staff involved in the fiscal operations and administration of sponsored programs or otherwise with the authority and/or responsibility to identify expenses under sponsored programs. This policy is effective December 26, 2014 for awards incorporating the OMB Uniform Guidance.

## Policy Statement

It is the policy of Indiana University that the salaries of administrative and clerical staff contributing to the performance of a sponsored project should normally be treated as indirect (F&A) costs. However, unless otherwise restricted by agency or program guidelines, charging these salaries as direct costs may be appropriate if all of the following conditions are met:

- The administrative and clerical services are integral to the performance of the sponsored project or activity;
- Individuals performing administrative and clerical services are specifically identified with the sponsored project or activity;
- Salaries for the administrative and clerical personnel are explicitly included in the project budget or have prior written approval of the awarding agency; and
- The administrative and clerical salaries are not also recovered as an indirect cost. The University accounting system ensures that expenses are not recovered as both direct and indirect cost.

[Reference: 2 CFR Part 200.413(c)]

## Reason For Policy

The purpose of this policy is to provide direction for when and how the salaries of administrative and clerical personnel required for the performance of a sponsored project may be charged as a direct cost to the sponsored award. This policy provides guidance to ensure best practices in the fiscal management of grants and contracts at Indiana University and to meet the requirements of Office of Management and Budget Uniform Guidance Requirements, Cost Principles, and Audit Requirements for Federal Awards and other sponsoring agencies.

## Procedure

### **Proposal Preparation and Submission:**

Administrative and clerical salaries may be included as direct costs in a project budget if specified in the budget and the essential need for the administrative and clerical services is appropriately explained in the proposal budget justification. When a NIH modular budget is submitted in a proposal, the anticipated salary is to be included in the funding request and an appropriate explanation provided in the budget justification.

### **Award Receipt:**

When the funding agency issues an award to Indiana University for the sponsored project and the requested funding for administrative and clerical salaries is included in the award, the salaries may be charged as a direct cost to the sponsored award. The charging of the salaries to the sponsored award is subject to any applicable award terms and conditions and funding agency guidelines.

### **Award Management:**

If during the performance of a sponsored project it is determined that administrative and clerical services meeting the criteria stipulated in this policy are essential for the fulfillment of the project's scope of work, prior agency approval is required if it is desired to charge the salaries to the project as a direct cost. For most Federal agencies a letter from the Project Director to the funding agency requesting approval to direct charge administrative and clerical salaries to the sponsored award must be submitted to the Office of Research Administration (ORA) for approval and submission to the agency. The letter must include an appropriate justification for why the administrative and clerical services are essential for the performance of the sponsored project, identification of the administrative and clerical personnel, an explanation of the percent effort to be allocated to the sponsored award, and re-budgeting information if required by the agency. For National Science Foundation funded projects, a FastLane module must be completed in lieu of a letter with the same requirements for justification. Written confirmation of the agency's approval must be received prior to charging the administrative and clerical salaries to the sponsored award.

## Definitions

**Administrative and Clerical Personnel:** Personnel who typically perform project tasks such as; account management and reconciliation, verification of time sheets, procurement, conducting surveys, human resources coordination, and other similar tasks.

## Sanctions

Charges for administrative and clerical salaries that are not in compliance with this policy and procedures will be considered unallowable and will be transferred to a non-sponsored departmental account.

## History

This policy was established in 2014.