

GUIDELINES FOR DIRECT CHARGING SPONSORED PROJECTS

UNIVERSITY OF CALIFORNIA, MERCED

EXPENSE CATEGORY	Description of Typical Expenses	Treatment*
	<p>The following criteria must be met before administrative and/or clerical salaries are charged to a federal project:</p> <ol style="list-style-type: none"> 1) It is necessary to incur the cost to perform the project's scope of work; <u>and</u> 2) The cost must be identifiable to the project with a high degree of accuracy; <u>and</u> 3) The proposal resulting in the award describes, in the budget justification, the project activities that satisfy the federal definition of Major Project and the budget explicitly includes administrative or clerical salaries (i.e., the individual and/or positions providing administrative or clerical support must be specifically identified with the project activities); <u>or</u> 4) The sponsor's prior approval of rebudgeting is obtained, provided that the prior approval request submitted to, and approved by, the sponsor explicitly includes administrative or clerical salaries (i.e., the individuals and/or positions providing administrative or clerical support must be specifically identified with the project activities); <u>or</u> 5) The terms and conditions of the award transfers certain rebudgeting authority to UCM, provided that any such rebudgeting is approved at the appropriate level within UCM, that the delegated rebudgeting authority is not restricted in such a way as to prohibit the direct charging of administrative or clerical salaries, and that the project activities that satisfy the definition of Major Project are documented in the award file; <u>or</u> 6) The award received by UCM was made in response to a modular grant application, provided that the award terms do not prohibit the direct charging of administrative or clerical salaries and that the project activities that satisfy the definition of Major Project are documented in the award file. 	
Advertising	<p>Promoting University activities, e.g., instruction and research, by using coffee mugs, water bottles, pens and pencils, newspapers, radio, and internet advertisements.</p> <p>Advertising for the recruitment of sponsored project personnel, procurement of goods and services, or other specific purposes as required by the terms of the sponsored agreement. (See Recruiting)</p>	<p>Not Chargeable Unallowable</p> <p>Direct</p>
Alcoholic Beverages	Alcoholic beverages, even in connection with allowable university hosting costs	Not Chargeable Unallowable

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Alumni Activities	All departmental costs (salaries, publications, operating costs) in support of alumni activities.	Not Chargeable Unallowable
Animals/ Animal Care	Veterinarian expenses, animal food, cleaning, cages, etc.	Direct
Commencement and Convocation	For F&A cost purposes only. (As the student services administration portion of the Instruction F&A cost rate).	Not Chargeable Unallowable
Computer Supplies	Cables, cords, paper, disks, toner, hardware, monitors, printers & CPUs.	See Supplies & Materials
Hardware	CPUs, monitors and printers	See Equipment
Software	General purpose software such as word processing and special statistical applications.	See Supplies & Materials
Internet Access	Cost of access to the Internet (on-campus and off-campus)	Not Chargeable
Computing Time	CPU time, access fees, storage fees, etc. for research activities.	Direct
Consulting	Expertise of a well-defined nature for a fixed period of time.	Direct
Contingency Provisions	Contingency reserves made for events that cannot be foretold with certainty as to time, intensity, or with an assurance of their happening.	Not Chargeable Unallowable

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Donations and Contributions to the University	The value of donated services and property.	Not Chargeable but can be used for Cost Sharing and Matching Requirements
Donations (Charitable) and other contributions made by the University	Services, Property, or funds donated by UCM to other organizations.	Not Chargeable Unallowable
Entertainment	Expenditures for recreation, amusement, social activities and any expenditures directly associated with the activity (i.e., tickets to shows or sports events, meals, lodging, rental transportation, and gratuities).	Not Chargeable Unallowable
Equipment	<p>“Equipment” means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of which equals or exceeds \$5,000.</p> <p>“Capital expenditures” mean the cost of the asset including the cost to put it in place. Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except where approved in advance by the sponsoring agency, expanded authorities, and /or Federal Demonstration Partnership.</p> <p>“Special purpose equipment” means equipment, that can be used only for research, medical, scientific, or other technical activities. Example of special purpose equipment include scintillation counters, centrifuges, spectrographs, microscopes.</p> <p>“General purpose equipment” means equipment, the use of which is not limited only to research, medical, scientific or other technical activities. Examples of general purpose equipment include office equipment and furnishings, air conditioning</p>	<p style="text-align: center;">Direct</p> <p>Not Chargeable except with agency approval</p> <p>Direct with agency approval</p> <p>Not Chargeable except with advance approval from the awarding agency</p>

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	equipment, reproduction and printing equipment, motor vehicles, and automatic data processing equipment.	
Fines and Penalties	Payments made because of violations of or failure to comply with federal, state, local, or foreign laws and regulations.	Not Chargeable Unallowable
Fund Raising	Costs of fund raising, including gift solicitation or capital campaigns, for the sole purpose of raising capital or obtaining contributions.	Not Chargeable Unallowable
Goods or Services for Personal Use	Costs of goods for personal use.	Not Chargeable Unallowable
Honoraria	An honorarium is a payment for which the primary intent is to confer distinction on, or to symbolize respect, esteem, or admiration for the recipient. (Payment for services rendered is an allowable cost but should not be referred to as an honorarium).	Not Chargeable Unallowable
Human Subject Compensation	Monetary or other items provided to an individual as compensation for their time commitment and/ or inconvenience assumed by participating in a research project as a research subject. The fees must be approved by the Institutional Review Board (IRB) in advance as to type and amount of compensation and described in the informed consent form. Subject fees may take many forms, including cash, check, money orders, coupons, gift cards, etc. Subject fees are separate from the reimbursed costs for expenses such as parking, mileage, hotel. Airfare, etc.; however, both must be approved by the IRB. Any additional costs associated with the provision of subject compensation (e.g., money order fee, checking account or ATM fee) may be considered part of subject compensation fees.	Direct

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IRB Application Preparation	School or investigator support costs incurred to prepare and submit an Institutional Review Board application while a new proposal is pending or otherwise unfunded. These costs include salaries, supplies, copying, postage and delivery fees.	Not Chargeable F&A
	Costs related to the preparation and submission of IRB applications and other documents necessary to maintain approval of human subjects research described in a funded project. These duties are typically performed by research project staff.	Direct
Lease Agreements	The cost of leased space (and associated utilities and maintenance charges) used by a sponsored project. A variety of room types could be used to support the sponsored project, such as laboratory, storage space, a workroom, and office.	Direct
	The costs of leased space (and associated utilities and maintenance charges) used for school administration purposes.	Not Chargeable F&A
Legal	Legal and other costs associated with certain court actions and administrative proceedings.	Not Chargeable Unallowable
Lobbying	Lobbying includes: 1) Attempts to influence the outcomes of federal, state, or local elections, referendums, initiatives or similar procedures, and 2) Specifically requested technical and factual presentations to legislative bodies on topics directly related to sponsored agreements and activities authorized by statute.	Not Chargeable Unallowable
Memberships (Subscriptions and Professional Activities)	Costs of membership in civic, community organizations, country club, or social/dining clubs.	Not Chargeable Unallowable
	Institutional, individual memberships and subscriptions to technical and professional organizations.	Not Chargeable F&A
		Direct

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	Expenses for individual membership, subscriptions to business, professional, and technical periodicals are only chargeable to federal sponsored projects in exceptional circumstances. The expenses must be necessary to carry out the scope of the project and can be identified, with a high degree of accuracy, specifically with a particular sponsored project.	
Motor Vehicles	Institutional furnished automobiles (Vehicles for personal use) Fleet service costs, renting a car.	Not Chargeable Unallowable Direct
Network	Network infrastructure costs relating to equipment and wiring generally “behind the wall,” like routers, wiring, conduit, etc. This would include Ethernet and LAN charges. Network costs that are related to a project’s network and are from “the wall” to the workstation. Project specific upgrades beyond the normal services, but located “behind the wall”.	Not Chargeable F&A Direct
Overruns on Sponsored Agreements (Overdrafts)	Expenditures that exceed the project budget.	Not Chargeable Unallowable
Participant Support	Non-UCM employees: Stipends Tuition Materials & Supplies Travel/ Subsistence Health Insurance (Foreign Nationals)	Direct

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Postage: Mail Stop	<p>Campus Mail services provided on a recharge basis.</p> <p>Mail stop charges for mass mailing such survey collection, patient follow-up letters.</p>	<p>Not Chargeable F&A</p> <p>Direct</p>
Postage	<p>Postage for routine mailings, including office correspondence and delivery of proposals.</p> <p>Postage for mailing of scientific material related to research projects such as shipping blood supplies or lab supplies; survey collection; patient follow-up letters.</p>	<p>Not Chargeable F&A</p> <p>Direct</p>
Programming	<p>General administrative programming.</p> <p>Programming that is necessary to carry out the scope of the project and can be identified specifically with a particular sponsored project with a high degree of accuracy.</p>	<p>Not Chargeable F&A</p> <p>Direct</p>
Promotional Items	<p>Promoting University activities, e.g., instruction and research, by using coffee mugs, water bottles, pens and pencils, newspaper, radio, and internet advertisements.</p> <p>Advertising for the recruitment of personnel, procurement of goods and services, or other specific purposes as required by the terms of the sponsored agreements</p>	<p>Not Chargeable Unallowable</p> <p>Direct</p>
Proposal Preparation	<p>Cost incurred for preparing and submitting a proposal, such as salaries, supplies, copying, postage. Proposal costs are the costs of preparing bids or proposals on potential government and non-government sponsored projects, including the development of engineering data and cost data necessary to support the institution's bids or proposals.</p>	<p>Not Chargeable F&A</p>
Publication	<p>Costs of communicating with the public and press pertaining to specific activities or</p>	<p>Not Chargeable Unallowable</p>

Please see OMB Circular A-21: <http://www.whitehouse.gov/omb/rewrite/circulars/a021/a021.html>

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	<p>accomplishments which result from performance of sponsored agreements, regardless of the media used.</p> <p>Publication costs for dissemination of research results.</p>	Direct
Public Relations	<p>The term public relations includes community relations and mean those activities dedicated to maintaining the image of the institution, or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public.</p> <p>Public relations expenses only as specifically required by the terms of the agreement.</p> <p>Costs of communicating with the public and press pertaining to specific activities or accomplishments which result from the performance of sponsored agreements.</p>	<p>Not Chargeable Unallowable</p> <p>Direct</p> <p>Not Chargeable F&A</p>
Recruiting	<p>In publications, costs of “help wanted” advertising that includes extravagant advertising (large in size and color), includes advertising material for other than recruitment purposes.</p> <p>Search expenses, including travel costs of employees while engaged in recruiting personnel, travel costs of applicants for interviews for prospective employment, and relocation costs incurred incident to recruitment of new employees. Costs of meals which are a part of the recruitment process.</p>	<p>Not Chargeable Unallowable</p> <p>Direct</p>
Repairs & Maintenance	<p>Core services for state supported space in UCM buildings (non-leased).</p> <p>Special services directly related to project performance for state supported space in UCM buildings (non-leased).</p> <p>Service of equipment installed as a part of state funded capital projects or an integral</p>	<p>Not Chargeable F&A</p> <p>Direct</p> <p>Not Chargeable F&A</p>

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	<p>part of a central building service.</p> <p>Service of equipment bought on a grant or contract.</p> <p>Normal repair and maintenance of general purpose equipment.</p> <p>Costs incurred for necessary maintenance, repair or upkeep of property used in the performance of a sponsored project which neither adds to the permanent value of the property nor appreciably prolongs its intended life but keeps it in an efficient operating condition.</p>	<p>Direct</p> <p>Not Chargeable F&A</p> <p>Direct</p>
Reproduction	<p>Copying items related to routine school administrative activities such as ledgers, invoices, project proposals, progress reports to agencies, purchase orders, etc.</p> <p>Copying items directly identified with project performance such as reproduction of publications, manuscripts or survey instruments, scientific data, human subjects, protocols, etc.</p>	<p>Not Chargeable F&A</p> <p>Direct</p>
Reconversion	<p>Cost incurred in the restoration or rehabilitation of the institution's facilities to approximately the same condition existing immediately prior to commencement of a sponsored agreement, fair wear and tear excepted.</p>	<p>Direct</p>
Renovation and Alteration	<p>Costs incurred for ordinary or normal rearrangement and alteration.</p> <p>Special arrangement and alteration costs incurred specifically for the project, when such work has been approved in advance by the sponsoring agency. New utility distribution within the laboratory.</p>	<p>Not Chargeable F&A</p> <p>Direct</p>

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Scholarship and Student Aid	Costs of scholarship, fellowships and other programs of student aid in training grants.	Direct
Subawards	Subawards established for transference of a portion of the program work to another entity.	Direct
Subscriptions	If the periodical or book is not available via internet or the library, and the content is specifically and solely related to the project.	Direct
Supplies and Materials	<p>General administrative supplies, such as computer, computer supplies including computer CD, general purpose software, printer paper, and toner cartridges, pencils, pens, paper, paper clips, etc.</p> <p>Supplies such as chemicals, radioisotopes, plastic tubes, columns, vials, animals, and office-type supplies such as lab notebooks, computer, special statistical applications, computer supplies including computer CD's, printer paper, and toner cartridges stored in the lab, or in a space under the control of the lab, and used only in the laboratory or field for the technical work. The cost is necessary to carry out the scope of the project and can be identified specifically with a particular sponsored project, and instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.</p>	<p>Not Chargeable F&A</p> <p>Direct</p>
Telephone	<p>Basic telephone line, equipment, installation and local telephone services.</p> <p>Telephone toll charges.</p> <p>Cellular phones required for field sites and approved by the sponsor.</p>	<p>Not Chargeable F&A</p> <p>Direct</p> <p>Direct</p> <p>Direct</p>

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	Off-Campus leased space or a special circumstance approved by the sponsor.	
Travel	<p>Airfare costs in excess of the lowest available commercial discount airfare, Federal Government contract airfare, or customary standard (coach or equivalent) airfare.</p> <p>Travel to conferences, symposiums, colloquiums, including registration fees; meetings at awarding agencies; or travel as needed for performance of project and approved by the Sponsor, including dissemination of project results.</p>	<p>Not Chargeable Unallowable</p> <p>Direct</p>
Utility	<p>Normal utility costs.</p> <p>See Lease Category</p>	Not Chargeable F&A
Waste Disposal (hazardous)	Hazardous waste disposal, waste spills, issuing of badges, specialization environmental health and safety training.	Direct