

AUBURN UNIVERSITY Justification for Direct Cost Charging

To ensure compliance with the Federal government's Cost Accounting Standards (CAS) and OMB Circular A-21, section F.6.b., which establishes the principle that administrative and clerical salaries, as well as other items such as office supplies, postage, local telephone costs, and memberships, should normally be treated as indirect costs, Auburn University established a policy for charging costs directly or indirectly to Federally funded projects.

Principal Investigators who believe circumstances of their project warrant an exemption that would allow direct charging costs that are normally treated as indirect **must complete and submit** this "Justification for Direct Cost Charging" form to the Office of Sponsored Programs (OSP) for a final determination of allowability.

Principal Investigator: _____	Department: _____
Project Title: _____ _____	Project Start Date: _____
Sponsor: _____	Project End Date: _____

SECTION I:

Exemptions to the Cost Accounting Standards to direct charge Administrative and Clerical salaries will only be permitted when one or more of the following examples can be clearly demonstrated:

Administrative and clerical salaries must be specifically identified with the project and support a major project or activity that requires extensive amounts of administrative and clerical support, which is significantly greater than the routine level of such services provided by academic units.

The following examples are illustrative of what a major project or activity might be:

- i) Large complex programs such as general clinical research centers, primate centers, engineering research centers and other sponsored projects that entail assembling and managing teams of investigators from a large number of institutions.
- ii) Projects which involve extensive data accumulation and entry, surveying, tabulation, cataloging and reporting such as epidemiological studies, clinical trials and retrospective clinical records studies.
- iii) Projects that require making substantial travel and meeting arrangements for large numbers of program participants.
- iv) Projects whose principal focus is the preparation and production of manuals and large reports excluding routine progress and technical reports.
- v) Projects that are geographically inaccessible to normal departmental administrative services, i.e., seagoing research vessels and radio astronomy projects that are remote from campus.
- vi) Projects requiring project specific database management, individualized graphics or manuscript preparation; human or animal protocols; and multiple project-related investigator coordination and communications.

To request approval to direct charge administrative and clerical salaries you must provide a detailed narrative that provides the following information: *

- 1) Is the item clearly called out in the budget?
- 2) Describe the circumstances of the project (using the above exemptions as a guide) that demonstrates why an exemption to the Direct Cost Policy should be granted.
- 3) Name of employee(s) to be charged directly to the project, job title and percent effort devoted to the project.
- 4) For each employee listed above, describe their duties and responsibilities that will advance the distinctive scientific, technical, and/or programmatic requirements of the work being funded.
- 5) Explain why such services being provided to the project by the administrative or clerical staff are significantly greater than the routine level of such services provided by the academic unit.

SECTION II:

Exemptions to the Cost Accounting Standards to direct charge postage, local telephone, office supplies, data processing/computer supplies, general purpose software, memberships, and subscriptions will be permitted only when circumstances can be clearly demonstrated. **For each item checked below, provide an explanation that shows the unique, extraordinary circumstances based on scientific/technical requirements of the project, which necessitate charging these general purpose costs.**

- | | |
|--|---|
| <input type="checkbox"/> Postage | <input type="checkbox"/> Memberships |
| <input type="checkbox"/> Local Telephone | <input type="checkbox"/> Subscriptions |
| <input type="checkbox"/> Office Supplies | <input type="checkbox"/> Cell Phone |
| <input type="checkbox"/> Data Processing/Computer Supplies | <input type="checkbox"/> Other (List _____) |
| <input type="checkbox"/> General Purpose Software | |

To request approval to direct charge other costs you must provide a detailed narrative that provides the following information: *

- 1) Describe the circumstances of the project that demonstrates why an exemption to Auburn’s Direct Cost Policy should be granted.
- 2) Describe each item being requested, the quantity and amounts required to advance the distinctive scientific, technical, and/or programmatic requirements of the work being funded.
- 3) Explain why such items are significantly greater than the routine level of such items provided by the academic unit.

SECTION III

When allocating charges to sponsored agreements, a well defined and consistently applied cost allocation methodology is necessary. The cost allocation method used must be able to document the equitable distribution of charges to an agreement in proportion to the benefit received. There is no single best cost allocation method for documenting the distribution of charges. Other than Auburn’s effort reporting system, these methods are administered at the PI, Department, and Unit levels. Any method developed and used shall be consistent with generally accepted practices of colleges and universities and OMB Circular A-21.

SECTION IV

By signing below, the Principal Investigator, Department Chair/Center Director, and Dean agree to ensure that full compliance to Auburn’s CAS policy is both achieved and maintained. Payback of CAS violations and/or disallowed exemptions will be the responsibility of the College, Department, Center and Principal Investigator.

Agreed: _____
Principal Investigator Date

Agreed: _____
Department Chair/Center Director Date

Approved Not Approved

Contract Administrator
Office of Sponsored Programs

Date