2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards states administrative costs should normally be treated as indirect (F&A) costs. However, there are situations where direct charging administrative charges may be appropriate when justified and approved in advance. Charging administrative costs to federal awards can be done in one of two ways: First, by disclosing the administrative costs in the proposal which must include detailing costs in the budget by types and amounts and in the written budget narrative. Secondly, if not identified in the proposal, then written approval from the sponsor must be obtained by the Post Award Associate to rebudget funds for administrative costs. In both situations, a Form B must be completed and approved. **NOTE:** **Signature by OSP on this form does not preclude sponsors from disallowing these costs in an audit which would require the costs be transferred to a non-sponsored fund as a disallowed cost.**

**Proposal No. or Fund No: Principal Investigator**: **Sponsor:**

**Section I: Guidelines and Requirements**

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| **Departmental Facilities and Administrative Expenses** |
| **Uniform Guidance (UG) Administrative Direct Charging Requirements 2 CFR 200.413(c)**  The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate **only if all** of the following conditions are met:  (1) Administrative or clerical services are integral to a project or activity;  (2) Individuals involved can be specifically identified with the project or activity;  (3) Such costs are explicitly included in the budget **or** have the prior written approval of the Federal awarding agency; and  (4) The costs are not also recovered as indirect costs.  **University Policy 3240 Costing Principles for Sponsored Projects** <http://www.policies.vt.edu/3240.pdf>  Direct costs on sponsored projects are those costs that can be clearly associated with a specific project and can be assigned easily with a **high degree of accuracy**. Costs incurred for the same purpose in similar circumstances must be treated consistently as either direct cost or F&A cost. As prescribed in Subpart E – Cost Principles under “2 CFR Part 200”, for a given cost to be charged to a sponsored award the cost must be allowable, reasonable, and allocable and all of the criteria outlined in Sections 2.1 Allowable, 2.2 Reasonable and 2.3 Allocable must be met.  Section 3.1 Administrative/Clerical salary Support Integral to a Project provides additional details and guidelines for the UG requirements listed above.  Section 3.2 General Administrative Expenses Integral to a Project: Items such as office supplies, postage, local telephone costs, and memberships must normally be treated as F&A costs. If directly related to a specific award, certain costs that otherwise would be treated as F&A costs may be allowed as direct costs, providing the cost satisfies the same conditions applicable to administrative and clerical staff exceptions as stated in section 3.1. |

**Section II. Expense Details:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **LABOR** | | | | |
| **Employee Name** | **Position Title** | **Estimated Percent of Effort** | **Estimated Amount** | **Justification**  **Please explain how the position(s) satisfy UG requirements 1-4 above.** |
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| --- | --- | --- |
| **SUPPLIES and EXPENSES** | | |
| **Budget Item** | **Estimated Amount** | **Justification**  **Please explain how the non-personnel administrative expenses satisfy UG requirements 3-4 above.** |
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**Section III. Required Signatures**

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| --- | --- | --- | --- | --- | --- |
| **Principal Investigator Printed Name** |  | **Principal Investigator Signature** |  | **Date** |  |
| **Department Authorized Authority Printed Name** |  | **Department Authorized Authority Signature** |  | **Date** |  |
| **OSP Pre Award Authorized Authority Printed Name** |  | **OSP Pre Award Authorized Signature** |  | **Date** |  |
| **OSP Post Award Authorized Authority Printed Name** |  | **OSP Post Award Authorized Signature** |  | **Date** |  |