

SPA'S TOP 10 LIST

ADMINISTRATIVE COSTS

1. Administrative costs are generally prohibited from being directly charged to federal grants and contracts, per OMB Circular A-21.
2. Normally, the salaries of administrative and clerical staff plus non-personnel costs such as office supplies, postage, local telephone, and memberships must be treated as indirect costs on federal grants and contracts.
3. The following BUOB's are normally restricted, unless identified during the pre-award stage or noted on a Prior Approval form which is subsequently approved by Grants & Contracts (Medical School) or Research Office (Hilltop), 3403–research office supplies, 3411–office supplies, 3455–laser printer supplies, 3512–postage, 3530–telephone, 3532–telephone data processing equipment, and 3557–memberships.
4. OMB Circular A-21 does allow for direct charging of administrative and clerical staff (and related fringe benefits) and non-personnel administrative costs if the costs meet the exception criteria of unlike or special circumstances. Additionally, administrative costs may be appropriate on certain “major projects” such as: unusually large and complex projects (i.e., program projects, research centers); project which involve extensive data accumulation; conference or seminar grants; projects that produce large manuscripts or reports; projects that are geographically inaccessible (i.e., research vessels) or projects that require project-specific database management
5. An example of an unlike or special circumstance is a Principal Investigator (PI) needs a specialized laboratory notebook used to specifically document the results and conclusions of scientific activity for a particular grant. That notebook is only supposed to be used to document experiments for a particular grant or specified group of grants. The notebook is not to be used for class notes, general “to do” lists, etc.
6. The Principal Investigator (PI) should clearly describe and justify the administrative costs that meet the exception criteria in the proposal budget and narrative.
7. The Research Office or Grants & Contracts will review the proposal and make the final determination on whether the costs will be considered direct or indirect. If the costs are approved as direct, the related budget object codes will be activated.
8. If there is a need to direct charge administrative costs to a project after the proposal has been submitted and the fund is established, a Prior Approval Request Form should be completed and submitted to the Research Office or Grants & Contracts. The request will be reviewed and if it is approved, the budget object codes related to the cost items will be activated on the fund.
9. A trailing document should be completed when a budget object code related to administrative charges that are normally not considered allowable is utilized on a financial transaction. The

trailing document should justify the specific identification and unlike circumstances of the costs.

10. Please refer to the University's Administrative Cost Policy, <http://www.spa.wustl.edu/admin.html>, and Direct Charging Policies, <http://www.spa.wustl.edu/direct.html>, for additional information.