

**Arkansas State University**  
**Sponsored Programs Accounting**  
**Guidance for Direct Charging of Administrative Costs**

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**Purpose**

The purpose of this guidance is to establish allowability of direct charging of administrative and clerical costs.

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**General Guidelines**

Administrative and clerical costs should be normally treated as facilities and administrative (F&A) costs to the University. This includes clerical salaries and benefits, office supplies, postage, local telephone costs, routine copying, and general purpose equipment such as computers and printers, as well as other items that do not directly benefit a particular project. Because the University receives F&A recoveries from sponsors based on our federally negotiated rate (or other agreed-upon rate), it is usually inappropriate to budget or charge such costs to a project. Exceptions to this will be examined on an individual basis by the Office of Sponsored Programs Accounting (SPA).

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**Determination of Allowable Administrative and Clerical Support as a Direct Cost**

Administrative and clerical support will be appropriate to charge directly to a sponsored project only in select cases. In 2 CFR 200.413.c.1-4 (Uniform Guidance), the OMB states that in order for administrative and clerical support to be charged the following criteria must be met:

- Administrative or clerical services are integral\* to a project or activity
- Individuals involved can be specifically identified with the project or activity
- Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency
- The costs are not also recovered as indirect costs

\* For the purposes of this guidance, integral will mean that (1) the services are essential, vital, or fundamental to the project or activity; and (2) a minimum of 10% FTE is budgeted in the grant's budget year or there are documented special circumstances.

SPA will require that all of these items are documented before any payroll documents are signed allowing clerical support to be charged to an award.

**Determination of Allowable Computing Devices as a Direct Cost**

The Uniform Guidance (UG) defines computing devices in 2 CFR 200.20 as "machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or

“peripherals”) for printing, transmitting and receiving, or storing electronic information.” In 2 CFR 200.453.c, the UG says “In the specific case of computing devices, charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award.” When a device meets both of these standards, it may be allocated per the benefit received to the award as a direct charge to that award. As most computing devices have more than one use and can rarely be tied to benefitting only one project, at least 3% of the cost of any computing device should be charged to an unrestricted fund. Any exceptions to this will have to be documented by the PI or department and approved by SPA.

In all cases, if administrative costs which are determined to be inappropriate are charged to a project, the expenditures will be charged to the departmental fund of the principal investigator.