

# Justification for the Direct Charging of a Normally Indirect Cost

Under Uniform Guidance 2 CFR 200

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This form is to be used to document the justification for charging directly to sponsored grants and contracts the types of expenditures considered normally indirect costs by the Federal government and the University. Additional information about normally direct and indirect costs can be found in the University's Budget Procedures for Grant and Contracts at <http://ovpred.ua.edu/sponsored-programs/policies-and-procedures/>

Principal Investigator/Project Director \_\_\_\_\_

Proposal/Project Title \_\_\_\_\_

Sponsoring Agency \_\_\_\_\_

*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR 200, state that "it is essential that each item of cost incurred for the same purpose be treated consistently in like circumstances either as a direct or an indirect (F&A) cost in order to avoid possible double-charging of Federal awards." (200.412)*

Please indicate below the type(s) of costs that may be appropriate as a direct charge to your project. Justification must include a description of the different purpose and/or circumstances.

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## SALARIES OF ADMINISTRATIVE AND CLERICAL STAFF

*§ 200.413 Direct costs... (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. (i.e. the purpose of the activity and/or circumstances are different than when the activity is charged to departmental operating funds).*

Based on the criteria above, it is appropriate to charge to this project salaries and benefits related to activities that are normally considered administrative or clerical in nature. I have attached **written approval from the awarding agency or the costs were approved as part of the proposed budget, where they were included and described.**

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## SALARIES OF PROJECT MANAGEMENT STAFF

*§ 200.430 (i) Allowable activities. Charges to Federal awards may include reasonable amounts for activities contributing and directly related to work under an agreement, such as... developing and maintaining protocols (human, animals, etc.), managing substances/chemicals, managing and securing project-specific data, coordinating research subjects...*

Based on the criteria above, it is appropriate to charge to this project the allocable salaries and benefits of staff classified as administrative or clerical as they are attributable to project management activities such as those described above. These costs are included and described in the proposed budget or I have attached a detailed narrative justifying the proposed exception.

# Justification for the Direct Charging of a Normally Indirect Cost

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## GENERAL PURPOSE EQUIPMENT

*200.439(b)(1) Capital expenditures for general purpose equipment...are unallowable as direct charges, except with the prior written approval of the Federal awarding agency or pass-through entity.*

*200.48 General purpose equipment means equipment which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.*

Based on the criteria above, it is appropriate to charge to this project the allocable share of costs for general purpose equipment essential to the performance of the project. I have attached **written approval from the awarding agency or the costs were approved as part of the proposed budget, where they were included and described.**

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## GENERAL PURPOSE SUPPLIES AND SERVICES

*Appendix III to Part 200— B.6.b.(2) Items such as office supplies, postage, local telephone costs, and memberships must normally be treated as indirect (F&A) costs.*

*413(a) ...Direct costs are those costs that can be identified specifically with a particular final cost objective...or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs.*

Based on the criteria above, it is appropriate to charge to this project allocable:

- Office supplies (including general use computing devices and peripherals)
- Postage
- Local telephone costs
- Memberships

These costs are included and described in the proposed **budget or I have attached a detailed narrative justifying the proposed exception.**

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## SPECIAL PURPOSE COMPUTING DEVICES

*200.453(c) Materials and supplies used for the performance of a Federal award may be charged as direct costs. 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.*

Based on the criteria above, it is appropriate to charge to this project the allocable share of costs for computing devices essential to the performance of the project. These devices will not be used as general purpose office supplies. I have attached **written approval from the awarding agency or the costs were approved as part of the proposed budget, where they were included and described.**

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**I understand the restrictions on the direct charging of normally indirect costs. The types of costs, indicated above, that will be charged directly to this project are allowable as direct costs and any charges will also be allocable and reasonable. Please sign below and submit to your Grant Specialist in the Office for Sponsored Programs.**

**Signature:**

\_\_\_\_\_  
Principal Investigator/Project Director

Date: \_\_\_\_\_