The intent of this procedure is to provide clear information that will enable university staff to determine how to account for administrative or clerical services for sponsored awards in accordance with 2 CFR §200.413. The salaries of administrative and clerical staff should normally be treated as F&A (indirect) costs. Direct charging of these costs may be appropriate only if criteria described in section titled “Criteria for Determining When Administrative or Clerical Salaries Can Be Considered Direct Costs.” Proposal coordinators and grant administrators will have to consider information that pertains to a specific proposal and these guidelines when determining direct charging to a sponsored award. The Pre-Award and Post-award offices should document the formal approval of this designation in their files through an approved CAS (Cost Accounting Standard) Exemption Form. A template for documenting approval of CAS Exemptions is attached to this procedure.

Routine Administrative or Clerical Support
All sponsored projects receive a baseline level of routine administrative or clerical support for their sponsored projects. Expenses are incurred by departments to support normal core operations of the unit. Costs include salaries and benefits of clerical and administrative positions that perform a broad range of baseline general support activities including secretarial assistance, procurement of materials and services, general accounting and bookkeeping, proposal preparation for new awards, payroll and human resource tasks. It also includes routine office supplies, postage for mailings that do not require special handling, local recurring telephone costs, office and general equipment, non-project specific repair and maintenance costs. These routine baseline academic or research support costs are normally included in the department administrative pools used to develop the facilities and administrative (F&A) rate applied to sponsored projects to reimburse the university for at least a portion of those costs.

Criteria for Determining When Administrative or Clerical Support Costs can be Considered Direct Costs
The size, nature, and complexity of sponsored projects, although not the final determining factors, are important considerations in determining circumstances where department administrative and clerical expenses may be considered as direct and appropriately charged to sponsored projects. In the specific case of computing devices, direct charging is allowable for devices that are essential and allocable, but not solely dedicated to the performance of a sponsored award per 2 CFR §200.453, and do not require a CAS EXEMPTION. Due to the unique requirements of each sponsored agreement, research, instruction, or other institutional activity, the existence of unlike circumstances is evaluated on a case by case basis. Per 2 CFR §200.413, 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 and clerical services are integral to a project or activity;
   a. Integral means the services are essential, vital, or fundamental to the project or activity. Individuals that are classified as administrative or clerical are required to have a minimum of 25% FTE budgeted to sponsored project, or there are documented special circumstances to qualify as integral.

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 sponsored awarding agency; and

4. The costs are not also recovered as indirect costs.

Units should complete the attached Request for Exemption to Direct Charge Costs Normally Treated as Indirect Costs form to designate the sponsored award as having allowable administrative or clerical services from their university Provost and Chief Financial Officer or authorized designees. The request must demonstrate that the proposal substantially satisfies the criteria and key factors listed above in order for administrative or clerical administrative support costs to be included in the project budget. The Provost and the Chief Financial Officer or authorized designees should consider all factors in their review and approval process and ensure that the criteria are consistently applied to all programs and projects submitted for review and approval. The approval must be received prior to proposal submission.

In order to identify those sponsored projects within the Banner system that have been designated CAS Exemption, the user defined data value of CAS EXEMPTION should be selected in the Banner Grant Maintenance Form, FRAGRNT, for all grants that have received an approved CAS Exemption form.
Administrative or clerical services support costs that will be charged directly to a sponsored project because they meet the previous criteria are not considered routine department support costs and must be accounted for correctly to ensure that they are treated appropriately for management reporting purposes and future F&A rate development.

These costs are considered an integral part of the sponsored program activity costs. They are considered direct program support costs and should be accounted for using the same program code as the major activity. In addition, the F&A rate applied to the sponsored program’s other direct costs will be applied to these direct expenses.

Example

An organized research project has received the CAS Exemption designation from the chief financial officer at the campus. In the proposal development process, include the support costs with the other organized research costs and apply the organized research F&A rate to the total research costs. The award document is received and the department prepares their budget forms to get a grant set up in Banner Finance. The program support costs must be accounted for using an organization code (org) with an organized research program code. In addition, the organized research rate should be used to recover F&A costs under the grant. The support costs are included with the other organized research costs under a single organized research org unless the department needs to segregate the costs for internal management purposes.
University of Alaska
Request for CAS Exemption to
Direct Charge Costs Normally Treated as Indirect Costs

Proposal Number: ____________________________

Principal Investigator: ____________________________

Sponsoring Agency: ____________________________

NOTE: CAS exemption is REQUIRED to direct charge administrative and clerical salaries and other administrative-type expenses to a sponsored project.

SECTION I. DIRECT CHARGING OF THESE COSTS MAY BE APPROPRIATE ONLY IF ALL THE FOLLOWING CONDITIONS ARE MET:

☐ Administrative or clerical services are integral to a project or activity
  Integral means the services are essential, vital, or fundamental to the project or activity. Individuals that are classified as administrative or clerical are required to have a minimum of 25% FTE budgeted to sponsored project, or there are documented special circumstances to qualify as integral.

☐ 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 sponsored awarding agency

☐ The costs are not also recovered as indirect costs

SECTION II. TYPES OF COSTS (Check all boxes that apply, as applicable and complete information in Section III/IV)

☐ Administrative and Clerical salaries

☐ Other Expenses
  ☐ Postage for mailings that do not require special handling (Project specific postage such as survey mailings do not require a CAS Exemption.).
  ☐ Local Telephone (Project related long distance charges do not require a CAS exemption.)
  ☐ Office Supplies
ACCOUNTING AND ADMINISTRATIVE MANUAL

SECTION 100: ACCOUNTING AND FINANCE

ACCOUNTING FOR ADMINISTRATIVE OR CLERICAL SERVICES ON SPONSORED AWARDS

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☐ General Purpose Software (Project required technical computer software does not require a CAS exemption)

☐ Memberships, Subscriptions, and Professional Activity Costs

SECTION III. DESCRIPTION/EXPLANATION OF ADMINISTRATIVE & CLERICAL SALARIES

A. Provide FTE required for administrative & clerical duties and describe their responsibilities.

B. Explain why the services provided to the project by the administrative/clerical staff are significantly greater than the routine level of such services provided by the research or academic unit support office, and integral to the project or activity.

C. Are these costs explicitly described in proposed sponsoring agency budget, and budget narrative or have the prior written approval of the sponsoring agency?
   YES  NO

SECTION IV. DESCRIPTION/EXPLANATION OF OTHER EXPENSES

A. For each item checked in section II, describe each item being requested, the quantity and amounts.

B. Explain why such items are significantly greater than the routine level of such items provided by the research or academic support unit.

C. Are these costs in sponsoring agency budget?  YES  NO
SECTION V. REQUIRED ENDORSEMENTS

Principal Investigator’s Signature ___________________________ Date ________________

Department Chair/Center Director’s Signature ___________________________ Date ________________

College Dean’s Signature ___________________________ Date ________________

Prepared By: ____________________________________________________________ Date ________________

Phone / Email: __________________________________________________________

SECTION VI. REQUIRED APPROVALS

Non-Federal awards (excludes Federal pass-through) do not require Statewide Controller approval.

☐ APPROVED ☐ DISAPPROVED

University Provost or Designee ___________________________ Date ________________

☐ APPROVED ☐ DISAPPROVED
Accounting for Administrative or Clerical Services on Sponsored Awards

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University Chief Financial Officer (CFO) or Designee

If approved by University Provost & CFO, CAS Exemption requires SW Controller Approval for Federal and Federal pass-through awards.

☐  APPROVED  ☐  DISAPPROVED

SW Controller

Date