

University of Colorado Denver

Quick Reference for Sponsored Projects Expenditures on Federal Awards

Sponsored projects are to be charged directly for the types of direct costs that are (1) allowable under the terms and conditions of the sponsored agreement, (2) consistently treated as direct costs under like circumstances, and (3) reasonable and necessary for the performance of the sponsored agreement.

The following list provides guidance on whether a particular type of cost, **if reasonable and necessary for the performance of the agreement**, is treated as a direct cost of sponsored projects and under what circumstances it may be treated differently. The list is not intended to be all-inclusive and **does not** preclude the need to look at the terms of specific sponsored agreements.

Non-federal projects may allow charging of expenditures that cannot be direct charged to federal sponsored projects. This is considered to be an “unlike circumstance” and expenditures will be approved for these **non-federal** sponsored projects if appropriate to the award and not specifically disallowed by the sponsor.

Cost	Account code(s)	Are costs usually charged directly to Sponsored Projects?	Explanation of unlike circumstances that allow treatment as direct cost on Federally sponsored projects or other notes
Advertising - recruitment, procurement, disposition of surplus goods	507600	YES	The only advertising costs allowable are those which are solely for: 1. The recruitment of personnel required for the performance by the institution of obligations arising under the sponsored agreement; 2. The procurement of goods and services for the performance of the sponsored agreement; 3. After approval by the University of Colorado Denver (UCD) Space and Asset Management, the disposal of scrap or surplus equipment/materials acquired in the performance of the approved agreement; and 4. Other specific purposes necessary to meet the requirements of the sponsored agreement. These allowable costs should be a direct charge.
Advertising – other	508700	NO	Unless specifically necessary to meet the requirements of the sponsored agreement
Alcoholic beverages		NO	
Alterations and renovations (Physical Plant Maintenance and Repair)	515108 – 515113	YES	Specific prior approval is required by some sponsors.
Alumni Activities		NO	
Bad debts	552900	NO	
Building rental	502600	NO	Sponsored projects that are charged the off-campus indirect cost rate are directly charged for the cost of space and building rental if identified in the budget narrative and approved by the sponsor. In addition rent may be directly charged when it is in lieu of hotel (travel costs) for long term fieldwork.
Commencement and convocation costs		NO	

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Communication costs		See long distance toll charges and/ or telephone equipment.	
Conference and convention registration fees	553000	YES	
Contingency reserve		NO	
Contractual services, consultants	492601 552605 552606	YES	Specific prior approval is often required by some sponsors. See terms of sponsored agreement.
Custodial	517600 517601	NO	Federal sponsored projects may be charged directly if they are located off-campus, and use the off-campus indirect cost rate.
Data processing (excluding areas identified as campus wide administrative systems). Examples include costs of local area networks, central file servers, etc.	500000 – 502499	YES	Federal projects may be charged directly for data processing costs that can be directly identified and allocated to the project. The costs of local area networks, central file servers, engineering workstations, and other shared facilities are charged directly to federal projects if allocated to all users based on their relative benefit and usage of those facilities . For example, if a computer is used for multiple projects, the cost of the network connections and central file server maintenance must be allocated based on the benefit to the projects. For more information see the UCD Fiscal Policy on Service Centers.
Defense and prosecution of criminal and civil proceedings, claims, and patent infringement	553600	NO	
Donations and contributions	547600	NO	Includes donations that are requested as part of a membership due in a technical or professional organization.
Dues and memberships - civic or community organization, social or dining club	510200	NO	
Dues and memberships - business, technical, professional organizations	510100	NO	Examples of exceptional circumstances in which membership fees can be directly charged to federally sponsored awards include – 1. Membership fees required in order to attend a conference, where the conference is directly related to the sponsored project. For example, a project requires the PI to present results at a conference and the conference requires participants to be members of the technical/professional organization sponsoring the event. Expense would be coded as conference registration fee if membership is part of registration fee. 2. Membership fee required in order to subscribe to a journal, where the subscription is necessary for the agreement. Code the expense as subscriptions if membership is part of subscription price.
Employee morale, health, and welfare costs		NO-except as defined as fringe benefits	
Entertainment – costs incurred for amusement, social activities, entertainment, and any items relating thereto, such as meals, lodging, rentals, transportation, and gratuities are unallowable.		NO	

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Equipment-capital	810100 810200 810400 810500	YES	When the University acquires equipment using federal funds, it must assure that all purchases or leases are necessary, beneficial, and non-duplicative. Approval criterion for the purchase or lease of capital assets varies between the different awarding agencies; prior approval by the department will be obtained if required by award terms based on awarding agency and university requirements. For further information, contact Grants and Contracts.
Equipment (non-capital, general office purpose) – this includes equipment that is used for general office purposes, such as calculators, typewriters, etc.	501800 537600 537601 537602 537603	NO	Non-capital equipment used by an employee that is fully funded by an off-campus or major project (or proportionately funded in relation to the cost allocated) for work done on the same major or off-campus project, subject to Sponsor Terms.
Equipment (non-capital, technical) – this includes equipment purchased for direct use in research, such as computers, lab equipment, etc.	501800 537600 537601 537602 537603	YES	
Equipment maintenance and repair	552600	YES	
Equipment rental	497603 552603	YES	
Express mail	485108	YES	New or competing proposal submittal costs should not be a direct cost to a project – see proposal preparation costs.
Fees and licenses	552600	YES	Exception – medical license fees are not allowable.
Fines and penalties – costs resulting from violations of, or failure to comply with, federal, state, and local laws and regulations (including University regulations) are unallowable.	553500	NO	Exceptions are allowed when incurred as a result of compliance with specific provisions of the sponsored agreement, or instructions in writing from the contract officer or equivalent.
Food and food service	522600 522700	NO	Food is allowed in exceptional circumstances including – 1. Conference grants 2. Educational grants 3. Symposia
Freight, moving and storage	540100 540102 540109	YES	When related to goods purchased or related to recruitment of individual to work on specific sponsored agreement
Fringe Benefits	400700 400800 405700 405800 418XXX 419XXX 420000 – 439999	YES	Allowable in proportion to the amount of time or effort employees devote to project and paid in accordance with UCD policies.
Honoraria	495100	NO	An honorarium that constitutes a payment for services rendered, such as a speaker's fee, under a conference grant is allowable. Do not use this account code, 495100, to pay study subjects or consultants. For study subject payments use account code 495102, Honoraria Study Subjects, for consultants use Other Operating Consultants, 552606.
Hospitalization Costs	520000 –	NO	Patient care is an allowable restricted category on a project receiving

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	522499		federal grant support providing: 1. the recipient has obtained prior approval from the sponsor agency to treat patients and incur patient care costs, and 2. the hospital affiliated with the grant awarded patient care must have a Patient Care Rate Agreement for Hospitals from the sponsor agency.
Housing and personal living expenses		NO	May be appropriate on projects requiring team members to work at remote locations, including international locations. Some sponsors require approval of international travel.
Instructional supplies	527500 – 529999	NO	Instructional supplies may be charged on instructional grants, including training grants.
Insurance	545100	NO	Federal grants are charged directly for the cost of insurance required or approved, and maintained pursuant to the sponsored agreement.
Interest expense	542500 – 544999	NO	
Laboratory and technical shop supplies	530100 530108	YES	
Laundry expense	517600 517601	YES	
Lobbying costs		NO	
Long distance toll charges	482607	YES	
Losses on other sponsored agreements (cash deficits)		NO	
Medical supplies	535000 – 537499	YES	
Microfilming, photography and graphics supplies and services	490000 – 492499	YES	
Motor vehicle maintenance and supplies	497500 – 499999	NO	Federal projects are charged directly for maintenance and supplies for vehicles located and used in remote locations pursuant to project if identified in the budget narrative and accepted by the sponsor.
Office supplies	480000 – 484999	NO	Office supplies are normally treated as F&A costs. Federally sponsored projects may be charged directly for these costs if -- a. The project has a special need for the item or service that is beyond the level of services normally provided by the administrative unit personnel because it is considered a “major” project by OMB A-21 standards. See examples in UCD Fiscal Policy 4-7, Exhibit C. Use account code, 480101, for these office supplies. or b. The cost can be specifically identified to the technical scope of work conducted under the project and is appropriately documented. The project does not need to be major for those costs to qualify as technical costs and to be charged directly. They must, however, meet the other conditions in UCD Fiscal Policy 4-7 in order to be directly charged. Use account code, 480118, for office supplies used for technical purposes.
Official functions-meetings and conferences	550200	NO	See FOOD for explanation of when food would be allowed on a federally sponsored project.
Official functions-receptions and events	550100	NO	
Goods for Personal Use		NO	
Services for Personal Use		NO	
Political Activities – include, but are not limited to, lobbying,		NO	

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publications, or other materials intended for influencing legislation.			
Postage costs	485107	NO	Postage is normally treated as F&A costs. Federally sponsored projects may be charged directly for these costs if -- a. The project has a special need for the item or service that is beyond the level of services normally provided by the administrative unit personnel because it is considered a “major” project by OMB A-21 standards. See examples in UCD Fiscal Policy 4-7, Exhibit C. or b. The cost can be specifically identified to the technical scope of work conducted under the project and is appropriately documented. The project does not need to be major for those costs to qualify as technical costs and to be charged directly. They must, however, meet the other conditions in UCD Fiscal Policy 4-7 in order to be directly charged.
Preagreement costs		NO	Except as allowed by sponsoring agency’s regulations or specific approval. NIH generally allows preaward costs 90 days prior to effective date of new or competing continuation award.
Prepaid expense		NO	
Printing, binding, publication, and reproduction	487500 – 487599	YES	Some restrictions apply, see sponsor regulations.
Proposal /application preparation		NO	Costs associated with preparing proposals are not allowable direct costs to a federal project.
Public relations		NO	Costs specifically required or necessary to communicate to the public about a federal sponsored agreement are allowed.
Recruitment costs	507600 552600 702000 702100 702200	YES	
Remodeling		NO	Remodeling and alteration costs incurred for a specific sponsored project work area are allowable as a direct charge when such work has been approved in advance by the sponsoring agency.
Salaries and wages of Administrative and Clerical staff	400000 – 419999	NO	Salaries and wages of administrative and clerical staff are normally treated as F&A costs. Federally sponsored projects may be charged directly for these costs if -- a. The project has a special need for the item or service that is beyond the level of services normally provided by the administrative unit personnel because it is considered a “major” project by OMB A-21 standards. See examples in UCD Fiscal Policy 4-7, Exhibit C. or b. The cost can be specifically identified to the technical scope of work conducted under the project and is appropriately documented. The project does not need to be major for those costs to qualify as technical costs and to be charged directly. They must, however, meet the other conditions in UCD Fiscal Policy 4-7 in order to be directly charged. Because of the way the UCD effort reporting system is structured, administrative or clerical salary charges of less than 5% are not

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			expected to be made to Federally sponsored projects. Thus, charges of less than 5% or that impact a calendar year quarter by less than 5% would not be appropriate (an example of calendar year quarter is July through September).
Salaries and Wages of Faculty, Graduate Research Assistants, and Technical Support Staff	400000 – 419999	YES	
Severance pay		YES	Only to the extent required by UCD policy.
Stipends and student aid	770000 – 772499	NO	Stipends, fees and tuition payments are allowable for students in federally funded training and/or fellowship projects.
Subscriptions, books, periodicals, scores, and monographs	512500 – 514999	NO	General medical resource materials are not allowable as a direct cost to federal projects. When resource materials are specifically needed in order to adequately research the area identified by the statement of work for the project and are not readily available through the UCD library, they may be charged to the federal project.
Student Activities		NO	Costs incurred for intramural activities, student publications, student clubs, and other student activities, are unallowable, unless specifically provided for in the federally sponsored agreements.
Study Subject Payments	495102	YES	Requires COMIRB protocol approval and sponsor approval.
Telephone equipment, maintenance, pagers, and cellular telephones.	482600 482604 482608	NO	LOCAL TELEPHONE COSTS (local services) are normally treated as F&A costs. Under exceptional circumstances, local telephone expenses may be directly charged to sponsored projects. Exceptions apply when a project has a special or unique need for telephone communication. Phone usage must be significantly greater than routine level required by administrative unit usage. CELLULAR PHONES AND PAGERS - Cellular telephones and pagers are charged directly when needed to coordinate field work. In such cases the need for charging such equipment and services must be justified in the narrative portion of the budget and approved by the sponsor.
Trash collection	515114	YES	Federal sponsored projects may be charged directly for these costs if they are located off-campus and use the off-campus indirect cost rate.
Travel	700000 – 709999	YES	Specific prior approval of international travel is required by some sponsors for some types of agreements. Travel must be by U.S. Carrier (exceptions defined on Travel Policy Summary and cost is <u>not</u> one of the exceptions).
Utilities	750000 – 752499	NO	Federal sponsored projects may be charged directly for these costs if they are located off-campus and use the off-campus indirect cost rate.