

Table of Contents

Definitions	2
Administrative Salaries	3
Advertising.....	3
Alcohol.....	4
Bad Debt.....	4
Books	4
Cloud Computing Services.....	5
Entertainment	5
Fees.....	5
Fines and Penalties	6
Foreign Travel.....	6
General Purpose Equipment	6
Gifts	7
Goods or Services for Personal Use.....	7
Legal Fees	7
Meals/Refreshments	8
Membership Dues	8
Postage	9
Recruiting Costs.....	9
Supplies	10
Telephone/Communication	10

Definitions

Direct Costs:

Costs that can be identified specifically with a particular sponsored project, instructional activity or other institutional activity, or can be directly assigned to such activities with relative ease and high degree of accuracy are treated as direct costs.

Consistent Treatment of Costs:

Costs incurred for the same purpose, in like circumstances, are treated uniformly either as direct costs or as Facilities & Administrative (F&A) costs. Consistent treatment of costs is a basic cost accounting principle and is specifically required by the Uniform Guidance (2 CFR 200, Subpart E) to assure that the same types of costs are not charged to federally sponsored awards both as direct costs and again as F&A costs recovered through a negotiated rate. This concept is further reinforced and emphasized in the Cost Accounting Standards that are incorporated into the Uniform Guidance in 2 CFR 200.419.

Unlike Circumstances:

A situation where a cost that is normally considered an F&A cost meets specific criteria allowing it to be charged directly to a particular sponsored award. These costs must:

- Satisfy the definition of a direct cost (specifically identifiable with the objectives of the science, identification made with relative ease, and a high degree of accuracy).
- Be extensive or unique in nature.
- Be included in the proposal budget.
- Be approved by the sponsor when justified in the proposal or via a subsequent request to the sponsor, and involves costs not normally allowed as direct charges.
- Be approved by the appropriate university authorities (Office of Sponsored Programs or Sponsored Projects Accounting).

NOTES:

- Not all allowable or unallowable costs are represented; specific circumstances may exist in which a typically allowable cost may not be allowed as a direct cost on a particular sponsored award. Costs deemed unallowable by a sponsor in a solicitation or award document are always unallowable for that particular award regardless of its treatment according to university policy and more general federal regulations.
- Cost which are unallowable on sponsored awards and are allowable university expenses should be charged to university funds (operating, discretionary) or other non-federal sponsored funds when the cost is incurred. Unallowable costs should not be charged to a sponsored award with the intention of performing a cost transfer from the award after the cost is incurred.
- This document is designed to adhere to the cost principles as defined by the Uniform Guidance and therefore should be applied to all federal awards. Nonfederal awards may or may not be subject these guidelines depending on the specific award's terms and conditions.

Administrative Salaries	
Expenditure Type(s) Include	All Expenditure Types listed under the Administrative Salaries Expenditure Category.
What is required in order to treat this as a direct cost?	<ul style="list-style-type: none"> • Specific identification of an administrative role in the budget/budget justification/scope of work. • All of the following guidelines must apply: <ol style="list-style-type: none"> 1. Activities of administrative staff must relate directly to the project. 2. Must be measurable and identifiable. 3. Must go beyond “routine” support. 4. Administrative or secretarial devoted to a specific grant or contract totals 20% or more of an individual's allocated effort.
Comments	<ul style="list-style-type: none"> • Occasionally a position may be classified under the category of administration, but the role on the sponsored award is technical in nature. Confirmation of the responsibilities for this position is necessary.
Examples	<ul style="list-style-type: none"> • <i>Acceptable:</i> Large, complex programs, such as research centers, program projects, and other grants and contracts that entail assembling and managing teams of investigators from a number of institutions requiring an unusual degree of administrative support. • <i>Acceptable:</i> The project scope requires the creation of a new research center. This is usually known at the time of proposal submission and must be included in the awarded budget.
Advertising	
Expenditure Type(s) Include	<ul style="list-style-type: none"> • ADVERTISING EMPLOYMENT • ADVERTISING PROCUREMENT • ADVERTISING PUBLIC RELATIONS • ADVERTISING/PROMOTION UNALLOW
What is required in order to treat this as a direct cost?	<ul style="list-style-type: none"> • A description/justification that identifies an unlike circumstance describing why the charge is necessary for the conduct of the project. • Specific identification of the cost in the budget/budget justification/scope of work.
Comments	<ul style="list-style-type: none"> • Generally unallowable except for: recruiting, procurement, and disposition of surplus/scrap federal property.
Examples	<ul style="list-style-type: none"> • Acceptable: recruitment of personnel required solely for the performance of obligations arising under a sponsored agreement. • Acceptable: procurement of goods and services for the performance of a sponsored agreement.

Alcohol	
Expenditure Type(s) Include	<ul style="list-style-type: none"> • Technical Supplies
What is required in order to treat this as a direct cost?	<ul style="list-style-type: none"> • A description/justification that identifies the charge as necessary for the conduct of the project. • Specific identification of the cost in the budget/budget justification/scope of work.
Comments	<ul style="list-style-type: none"> • Alcohol is allowable as a direct charge ONLY when there is technical/scientific need required for the scope of work and is included in the awarded budget. In the allowable instance, alcohol is a technical supply.
Examples	<ul style="list-style-type: none"> • Acceptable: Purchase of beer to meet the scope of work on a project related to the effects of alcohol on cognitive brain function. • Unacceptable: Alcohol was served at a dinner/reception that was an approved activity to provide an annual seminar.
Bad Debt	
Expenditure Type(s) Include	<ul style="list-style-type: none"> • BAD DEBT EXPENSE
What is required in order to treat this as a direct cost?	--
Comments	<ul style="list-style-type: none"> • Unallowable on sponsored awards.
Examples	--
Books	
Expenditure Type(s) Include	<ul style="list-style-type: none"> • BOOKS • BOOKS & PERIODICALS (ER) • PERIODICALS
What is required in order to treat this as a direct cost?	<ul style="list-style-type: none"> • A description/justification identifying why the item is necessary for the specific scope/conduct of the project. The justification must include the book was not available using CMU's existing resources (such as the library.)
Comments	<ul style="list-style-type: none"> • Technical instruction manuals needed for a project can be charged to an award, but should be coded as Technical Supplies. These charges must be included in the approved budget.

Examples	<ul style="list-style-type: none"> <i>Acceptable:</i> Books were purchased on a research project. These books were research materials exclusively purchased to accomplish the studies for this research project only. The books were not available through the university's library system and were specifically included in the awarded budget. <i>Unacceptable:</i> Purchase of a scientific manual. The book may be available in the university's library, but because it will be written in, etc...a dedicated copy is needed. However, the purchase of this book was not itemized in the awarded budget.
Cloud Computing Services	
Expenditure Type(s) Include	<ul style="list-style-type: none"> CLOUD COMPUTING SERVICES COMPUTING SERVICES & DATA STORAGE
What is required in order to treat this as a direct cost?	<ul style="list-style-type: none"> A description/justification that explains why the cost is necessary and allocable to the specific award. Specific identification of the cost in the proposal budget/budget justification/scope of work.
Comments	--
Examples	--
Entertainment	
Expenditure Type(s) Include	<ul style="list-style-type: none"> Can be found within multiple Expenditure Types... any expense that indicates cost was for the purpose of entertainment.
What is required in order to treat this as a direct cost?	--
Comments	<ul style="list-style-type: none"> Unallowable on sponsored awards.
Examples	--
Fees	
Expenditure Type(s) Include	<ul style="list-style-type: none"> BANKING FEES & CHARGES CREDIT CARD FEES COLLECTION AGENCY FEES TRAVEL FEES
What is required in order to treat this as a direct cost?	--
Comments	<ul style="list-style-type: none"> In most (if not all) cases, these fees are simply the cost of doing business and are not allowed as direct costs on a sponsored award.

Examples	<ul style="list-style-type: none"> <i>Unacceptable:</i> The department charges a wire fee associated with payment to a vendor that provided supplies or services to the sponsored award.
-----------------	---

Fines and Penalties	
----------------------------	--

Expenditure Type(s) Include	<ul style="list-style-type: none"> Can be found within multiple Expenditure Types... any expense that indicates a fine or a penalty.
What is required in order to treat this as a direct cost?	--
Comments	<ul style="list-style-type: none"> Unallowable on sponsored awards. These are costs resulting from violations of, or failure of the University to comply with Federal, State, local, or foreign laws and regulations, except when incurred as a result of compliance with specific provisions of the sponsored agreement or written instructions from the sponsoring agency.
Examples	--

Foreign Travel	
-----------------------	--

Expenditure Type(s) Include	<ul style="list-style-type: none"> All Expenditure Types in the TRAVEL FOREIGN Expenditure Category
What is required in order to treat this as a direct cost?	<ul style="list-style-type: none"> Written sponsor approval, if required by the terms of the agreement. The traveler should also record effort on the project paying for travel, with some exceptions.
Comments	<ul style="list-style-type: none"> Many sponsors require preapproval prior to commencing foreign travel.
Examples	--

General Purpose Equipment	
----------------------------------	--

Expenditure Type(s) Include	<ul style="list-style-type: none"> NON-CAPITAL EQUIPMENT NON-CAPITAL COMPUTER EQUIPMENT
What is required in order to treat this as a direct cost?	<ul style="list-style-type: none"> A description/justification identifying why the item is necessary for the specific scope/conduct of the project and what constitutes an unlike circumstance. The description/justification should include details identifying the equipment as NOT general purpose. Specific identification of the cost in the budget/budget justification/scope of work.
Comments	<ul style="list-style-type: none"> A single computer typically cannot be justified for multiple sponsored awards.

Examples	<ul style="list-style-type: none"> • <i>Acceptable</i>: A purchase of a computer with special specifications necessary to fulfill the scope of the project. • <i>Acceptable</i>: A dedicated computer is needed and will be connected to a larger piece of equipment. • <i>Unacceptable</i>: A PI charges the cost of a laptop for one of his technicians to the project which includes 100% of the technician's effort. • <i>Unacceptable</i>: The purchase of a printer for a lab.
Gifts	
Expenditure Type(s) Include	<ul style="list-style-type: none"> • GIFTS UNALLOWABLE • EMPLOYEE SERVICE GIFTS UNALLOW • EMPLOYEE GIFT-TAX GROSS UP
What is required in order to treat this as a direct cost?	<ul style="list-style-type: none"> • A description/justification that identifies an unlike circumstance describing why the charge is necessary for the conduct of the project. • Specific identification of the cost in the budget/budget justification/scope of work.
Comments	<ul style="list-style-type: none"> • "Gifts" purchased in lieu of compensation for human subject participants should be charged to HUMAN SUBJECT PAYMENTS, not gifts
Examples	<ul style="list-style-type: none"> • <i>Acceptable</i>: Some projects may give school districts "gifts" for participation, however the expense should be clearly identified in the awarded budget. • <i>Unacceptable</i>: Gifts were purchased for collaborators on the project.
Goods or Services for Personal Use	
Expenditure Type(s) Include	<ul style="list-style-type: none"> • Can be found within multiple Expenditure Types. Any expense that indicates the purpose of personal use.
What is required in order to treat this as a direct cost?	--
Comments	<ul style="list-style-type: none"> • Unallowable on sponsored awards
Examples	<ul style="list-style-type: none"> • <i>Unacceptable</i>: Flowers
Legal Fees	
Expenditure Type(s) Include	<ul style="list-style-type: none"> • Can be found within multiple Expenditure Types... any expense that indicates a fine or penalty.

What is required in order to treat this as a direct cost?	--
Comments	<ul style="list-style-type: none"> • Most legal fees are unallowable as direct costs on sponsored awards.
Examples	<ul style="list-style-type: none"> • <i>Acceptable:</i> The base filing fee charged for an H1B Visas, which is for a newly recruited employee who works at least 12 consecutive months on the sponsored award at 100% effort. • <i>Unacceptable:</i> Expedited Fees or other Legal fees related to the H1B Visa
Meals/Refreshments	
Expenditure Type(s) Include	<ul style="list-style-type: none"> • REFRESHMENTS • NON-TRAVEL BUSINESS MEALS • IC DINING SERVICES ALLOWABLE / IC DINING SERVICES UNALLOWABLE • ON CAMPUS BUSINESS MEALS
What is required in order to treat this as a direct cost?	<ul style="list-style-type: none"> • A description/justification that meets CMU's Travel Policy (identification of a business purpose and number/names of attendees.) • Specific identification of the cost in the budget/budget justification/scope of work.
Comments	<ul style="list-style-type: none"> • Usually allowable when incurred for meetings with sponsors or for organized group meetings, for which the primary purpose is the dissemination of technical information directly related to the research project. • Recurring meals for meetings typically are allowable, if identified in the budget. • Depending on the sponsor, meals may not be allowable at all unless specifically identified in the budget.
Examples	<ul style="list-style-type: none"> • <i>Unacceptable:</i> The department orders cases of bottled water for a lab. • <i>Acceptable:</i> A group of researchers doing fieldwork who are unable to leave the field or workstation for an entire day, charge a catered lunch. All researcher names are provided.
Membership Dues	
Expenditure Type(s) Include	<ul style="list-style-type: none"> • MEMBERSHIPS & DUES • MEMBERSHIPS & DUES (ER)
What is required in order to treat this as a direct cost?	<ul style="list-style-type: none"> • A description/justification that identifies an unlike circumstance describing why the charge is necessary for the conduct of the project. • Specific identification of the cost in the budget/budget justification/scope of work.

Comments	<ul style="list-style-type: none"> Membership Fees as part of a conference registration are not allowable because the individual benefits extend beyond the specific scope of work of the project.
Examples	<ul style="list-style-type: none"> <i>Acceptable:</i> Survey Monkey memberships are allowable as direct costs when the purpose of the project is to conduct surveys. <i>Unacceptable:</i> Membership fees that are paid in conjunction with conference registration fees in order to obtain a discount. <i>Unacceptable:</i> The renewal of a PI's annual membership to a professional organization is directly charged to one of her many research projects. This is inappropriate as a direct cost because it does not relate specifically and solely to this research project.
Postage	
Expenditure Type(s) Include	<ul style="list-style-type: none"> IC POST OFFICE POSTAGE & SHIPPING (ER) POSTAGE
What is required in order to treat this as a direct cost?	<ul style="list-style-type: none"> A budget line or email justification that describes an unlike circumstance necessary for the conduct of the project. Identification of an extensive need for postage in the scope of work.
Comments	<ul style="list-style-type: none"> Metered mail cannot be specifically identified to any particular project, therefore are not allowed to be direct costs to a sponsored project.
Examples	<ul style="list-style-type: none"> <i>Acceptable:</i> Awards with extensive postage expenses in support of the goals and objectives of the sponsored award would be acceptable if included in the proposal and proposed budget. <i>Acceptable:</i> Express Mail is allowable because it can be specifically traced/identified to the particular project. <i>Acceptable:</i> If the project is to conduct a survey and it is proposed that the survey be taken manually by random mailings.
Recruiting Costs	
Expenditure Type(s) Include	<ul style="list-style-type: none"> INTERNET RECRUITING RELOCATION FEES
What is required in order to treat this as a direct cost?	<ul style="list-style-type: none"> A description/justification that identifies why the charge is necessary for the conduct of the project. A description/justification that verifies the person was specifically hired to work on the project and that the person charged 100% of their effort on the project for a period of at least 12 months. Cost/position is specifically identified in the scope of work and awarded budget.

Comments	<ul style="list-style-type: none"> For employees who stay less than twelve months, the institution will be required to refund or credit any relocation costs charged to the Federal Government.
Examples	--

Supplies	
Expenditure Type(s) Include	<ul style="list-style-type: none"> COMPUTING SUPPLIES OFFICE SUPPLIES PAPER SUPPLIES IC OFFICE SUPPLIES
What is required in order to treat this as a direct cost?	<ul style="list-style-type: none"> A description/justification that describes how the supplies directly benefit the project in an unlike circumstance. A detailed description/justification that identifies the supplies as NOT general purpose. Specific identification of the cost in the budget/budget justification/scope of work.
Comments	<ul style="list-style-type: none"> Certain computing supplies may be allowed if the cost of a computer was allowable per the general purpose equipment requirements and charged to NON-CAPITAL COMPUTER EQUIPMENT.
Examples	<ul style="list-style-type: none"> <i>Acceptable:</i> A conference grant charges the cost of office supplies, which includes poster board, badges, and colored paper for the conference workshops. These costs were budgeted for and are exclusively benefiting the project. <i>Acceptable:</i> A specific project requires the production of an extensive data survey.
Telephone/Communication	
Expenditure Type(s) Include	<ul style="list-style-type: none"> IC TELEPHONE EQUIPMENT IC TELEPHONE LOCAL IC TELEPHONE SERVICES TELEPHONE (ER) TELEPHONE EXTERNAL IC NON 268/862 TELEPHONE IC STUDENT TELEPHONE COMMUNICATION DEVICE ALLOW COMMUNICATION DEV ALLOW

	<ul style="list-style-type: none"> • COMMUNICATION ALLOWANCE OVERAGE
<p>What is required in order to treat this as a direct cost?</p>	<ul style="list-style-type: none"> • A description/justification identifying an unlike circumstance necessary for the conduct of the project. • A description/justification that describes how the communication expense directly benefits the project in an unlike circumstance. • Specific identification of the cost in the budget/budget justification/scope of work.
<p>Comments</p>	<ul style="list-style-type: none"> • In general, communication expenses are not allowed as direct costs on a sponsored project. Due to the nature of the expense, identification with only one project is not easily accomplished; therefore, these costs are primarily indirect costs.
<p>Examples</p>	<ul style="list-style-type: none"> • <i>Acceptable:</i> Internet external service is charged to a project. The charge stems from an internet connection in a hotel room for one of the researchers, who was traveling but needed the internet connection to work on the research project while traveling. The transaction support must include a summary of the work performed. • <i>Acceptable:</i> Long distance telephone calls are allowable if specifically allocable to the project. The transaction description must identify date of call, subject, and attendees. • <i>Unacceptable:</i> A PI charges the cost of his cell phone to a research project. The cell phone is not used for personal purposes. The cell phone is used for telephoning staff in the lab, calls to potential donors and scientists associated with all of the grants for which he currently oversees. • <i>Unacceptable:</i> Local calls