

Date: 4/9/2007  
To: Pls, Chairs and Deans  
Cc: Finance Directors, OCRO staff, GCAS staff  
From: Elliot Hirshman, CRO, Pam Goodnow, Comptroller  
RE: Direct Charging of Administrative Costs to Sponsored Projects

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We are writing to inform you of a recent revision of the policy on “Consistency in Charging Administrative and Clerical Costs Associated with Research.” This revision occurred in the context of our normal process of policy review and revision. For clarity, the policy has been re-named “Direct Charging of Administrative Costs Associated with Sponsored Projects”.

The basic purposes of the policy remain to inform the University community that OMB-Circular A-21 prohibits the direct charging of administrative costs (e.g., clerical salaries) to federal awards and to detail the circumstances and procedures associated with exceptions to this prohibition. There are, however, a number of changes that we wish to call to your attention.

First, the policy has been substantially shortened to three pages to enhance use. This change is part of a broader effort being undertaken to enhance policy readability and usage.

Second, we have clarified the procedures for requesting approval of an exception to the prohibition on direct charging of administrative costs to federal awards. Pls should forward such requests on the form in the policy appendix at least 10 days prior to proposal submission. While every effort will be made to review the request prior to proposal submission, submission may proceed even if review of the request has not concluded.

Third, the policy emphasizes that administrative costs may be charged to non-federal sponsors when appropriate. Such charges minimize administrative costs incurred by the University when non-federal sponsors mandate restrictions of indirect cost recovery rates.

Please contact your RSC if you have any questions about the revised policy.