Criteria for Determining Acceptability of Charging
Administrative Costs to Sponsored Agreements

What are the categories of administrative costs?

Administrative costs are administrative and clerical salaries (administrative effort), and general office supplies (including computers), telephone equipment, memberships, and postage (administrative products).

When can I budget for administrative type costs?

1) When the award is a major project as defined in OMB Circular A-21 paragraph F.6b OR
2) When there is an inordinate amount of administrative costs over and above the routine level of services provided by the university AND
3) When an administrative cost in 1 or 2 above is specifically identified with and used only for the benefit of a specific project.

What is a major project?

1) A project that requires an extensive amount of administrative effort or administrative products significantly greater than what is routinely provided by the university. For example:
   a) extensive data accumulation, analysis and entry, surveying, tabulation, cataloguing, searching literature, and non-routine reporting
   b) making travel and meeting arrangements for large numbers of people
   c) principal focus is preparation of manuals and large reports, books and monographs (non-routine reports)
   d) projects with numerous sub-awards and the need for significant subcontractor technical and financial coordination
   e) projects that are geographically inaccessible to normal department administrative services
2) Some examples of major programs are general clinical research centers, primate centers, program projects (NIH U- and P-type awards), engineering research centers, environmental research centers, and multi-disciplinary projects including a combination of multiple CSU departments, industrial sponsors and/or institutions.

If the project warrants administrative type costs as direct costs, what must the documentation contain?

1) Documentation that clearly defines the project as a major project OR
2) The budget justification shows the need for the expense because it is beyond what is routinely expected to be provided by the university OR
3) When there is an administrative core or equivalent required
   a) Equivalent means a significant amount of administrative effort or administrative product over the course of the project or
   b) More than significant amount of administrative effort or administrative product concentrated in any short period(s) of the award.
Should I limit my budget to a certain amount of effort or amount of purchase?

1) The amount requested should be substantial enough to show that the costs are clearly beyond what would be routinely provided by the university OR
2) The administrative effort is extensive and/or the administrative product costs are excessive for a concentrated period of the project

What are examples of routine level of services provided by departments?

1) Payroll and Personnel systems (staffing)
2) Travel arrangements
3) Purchasing equipment and supplies
4) Account management
5) Correspondence and routine photocopying
6) Assisting in preparation of technical reports
7) Routine correspondence (telephone and E-mail)
8) Student supervision
9) Classroom and facilities scheduling
10) Building proctors
11) Equipment inventory
12) Routine data input & word processing
13) Mailing and Overnight delivery

What if someone is doing both technical and administrative work on the project?

1) Only the technical portion of the effort can be charged directly to the project. The effort should be directly related to the success of the technical effort and the deliverables of that project.