Sponsored Project Expenditures

REASON FOR POLICY
To ensure the charging and approval of direct cost expenditures are in compliance with the standards set forth in 2 CFR Part 200, Subpart E., (commonly referred to as Uniform Guidance). Adherence to these cost principles is necessary to prevent cost disallowances, penalties, and/or fines.

APPLIES TO
Faculty and Staff conducting Sponsored Program activity at University of Connecticut

DEFINITIONS
Direct Costs: Those costs that can be identified specifically with a particular sponsored project and which can be directly assigned to such activities relatively easily and with a high degree of accuracy.

Facilities and Administrative Costs (F&A): Those costs that are incurred for common or joint objectives that cannot be readily identified with an individual project or program.

POLICY STATEMENT
The Principal Investigator (PI) is responsible for the management and administration of his/her award within the constraints imposed by the sponsor and in accordance with UConn policy

Per Uniform Guidance §200.403, in order for a direct cost to be an allowable cost on a sponsored project, the cost must be:
   a. Be necessary and reasonable for the performance of the Federal award and be allocable under these principles.
   b. Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
   c. Be consistent with policies and procedures that apply uniformly to both federally and non-federal activities of the University.
   d. Be accorded consistent treatment. (A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost).
   e. Be determined in accordance with generally accepted accounting principles (GAAP)
   f. Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
   g. Be adequately documented.

The sponsor may require approval of certain direct costs as identified in the award, in advance, either as part of the specific grant or contract, or subsequent to the initiation of the project.

Consistent with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance", 2 CFR §200.308), some federal awarding agencies have waived certain prior written approvals, including: a) incurring project costs 90 calendar days before an award is made, b) one-time no cost extension for up to 12 months, and c) carry forward of unobligated balances to subsequent periods.
The PI is responsible for providing and/or maintaining documentation of the appropriateness of the expense in conjunction with the project, and applying the factors of allowability, allocability, and reasonableness regarding the cost prior to processing the expenditure.

For Federal contracts and non-Federal awards, prior approvals are often required for certain direct cost expenditures. It is the PI's responsibility to ensure that such approvals are obtained from or through Sponsored Program Services before funds are committed.

CONTACT

For additional information on this procedure, please contact: SPS@uconn.edu

RELATED

Direct and Indirect Costs of Federal Grants and Contracts, Policy CADS1
General Cost Principles
Federal Costing Principles Training Slides

HISTORY

Policy created in current format and approved by the Vice President for Research, Sponsored Program Services on 2/26/18 to better document existing practices and requirements.

Revised: minor revisions on 4/6/18 for publication

various dates in other formats

This policy has been approved by the Vice President for Research.