Guidance: Expenditures on Sponsored Awards

This document provides general guidance for some of the more common types of costs associated with sponsored research expenditures. Where applicable, reference has been included to the federal Cost Principles. University guidance, procedure and policy has also been referenced for specific expenditures. Refer to the Cost Principles in Subpart E, §200.400-200.475 of the Uniform Guidance for the full listing of types of costs. In accordance with relevant regulations (e.g., Uniform Guidance) and UConn policy, the PI must ensure costs on sponsored awards meet the specific terms and conditions of the award and are reasonable, allocable, allowable to the project. See the Sponsored Project Expenditures: Approval and Monitoring policy for more information.

Your Sponsored Programs Services (SPS) Team is ready to help with any questions you may have: SPS Contact List.

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. Also referred to as indirect costs.

Unlike Circumstance: An instance where an F&A cost may be charged to a sponsored award. An unlike circumstance may exist when an activity or the use of a cost item is substantively greater in amount or different in purpose than is typical. The criteria needed to justify such exceptions must include:

- The nature of the work, unique situation, or programmatic purpose that creates an unlike circumstance
- How the cost will be specifically associated with the sponsored project with a high degree of accuracy
- Additionally, the cost must also meet all the general criteria for a cost to be direct charged to a sponsored project (allowable, reasonable, allocable and adequately documented)

On occasion, a Federal sponsor specifically requires a cost that would typically be considered an indirect cost. This would also be considered an unlike circumstance. In order to substantiate the exception, the criteria listed above must be documented.

INFORMATION ON SPECIFIC COSTS:

Administrative and Clerical Salaries (§200.413(c))

The salaries of administrative and clerical personnel are normally treated as a facilities and administrative cost. As stipulated in the Uniform Guidance, direct charging of administrative salaries is allowable when all of the following four conditions are met:

- Administrative or clerical services are integral to a project or activity
- Individuals involved can be specifically identified with the project or activity
- Such expenses are explicitly included in the budget or have the prior written approval of the awarding agency
The costs are not also recovered as F&A costs

*UConn has determined that integral means the services are essential, vital, or fundamental to the project goals or activity, rather than necessary for the overall operation of the institution.

All compensation charges must further be substantiated by UConn’s Time and Effort procedures in order to be considered an allowable sponsored project cost.

Advertising and Public Relations (§200.421)

These costs include advertising media, including magazines, newspapers, radio and television, direct mail, exhibits, electronic or computer transmittals, and related administrative expenses.

Advertising/media expenses are only allowable as a direct charge if used solely for one of the following uses:

- The recruitment of personnel required for performance of an award (subject to the requirements in Recruitment Costs section and §200.463)
- The procurement of goods and services for the performance of an award
- Program outreach and other specific purposes necessary to meet the requirements of the award.

Alcoholic Beverages (§200.423)

Alcoholic beverages and related expenses are unallowable costs and are only allowable if alcohol is specifically necessary for the aim and scope of the project.

Alteration and Renovation (also known as Rearrangement and Reconversion Costs) (§200.462)

Costs incurred for ordinary or normal rearrangement and alteration of facilities are not allowable. Special arrangement and alteration costs incurred specifically for the project are allowable when such work has been approved in advance by the sponsoring agency.

Animals and Animal Care (Appendix III to Part 200, §200.468)

Charges for the acquisition, care and use of experimental animals are allowable when an approved animal research protocol is congruent with the sponsored project research goals / aims. Documentation supporting animal costs should reflect the type of animal, the number of animals and the unit cost per animal. Documentation supporting Per Diem costs should list the number of days of Per Diem.

Books, Journals, Periodicals and Subscriptions

Books, journals, periodicals, and subscriptions generally falling into the following categories are normally treated as F&A costs:

- General or reference texts, including medical dictionaries
- Books, manuals, reprints that generally assist the PI in keeping up with his/her field of research
- Publications that provide a general benefit to research and teaching activities
- Subscriptions to journals

This type of cost may be charged as direct expenses only in unusual circumstances where the charge can be specifically allocated to the project. Examples of unusual cases may include:
• The book or journal is not available in the library
• The book or journal is available from the library but is utilized so frequently for a specific award that a library copy is not sufficient
• A book contains a specific research technique or information that will introduce efficiencies to the research or improve the quality of results

Communication Expenses

Communication expenses relating to equipment charges (dedicated research/lab lines), long distance calls, telegrams, fax long distance charges, and various other communication expenses that are incurred for the sole direct benefit of the project are allowable. Adequate support documentation should be maintained to support any direct charges.

Communication expenses incurred in support of routine administrative activities associated with instruction, public service, research and other institutional activities are unallowable and may not be charged directly against sponsored projects. Examples of these type of communication charges include installation charges, monthly use charges, local access calls, pagers, etc. These types of costs can only be charged directly to sponsored accounts if there is an unlike circumstance that has been approved through Sponsored Program Services (SPS) and, if required, the sponsor.

Compensation (§200.430)

Compensation costs are generally allowable as a direct expense when the effort proportional to the paid compensation provides a direct benefit to the award and when the amount is within the allowable limits (e.g., agency-specific salary caps). All compensation charges must further be substantiated by UConn's Time and Effort procedures in order to be considered an allowable sponsored project cost. Level of compensation may not increase solely due to an increase in available sponsored funding.

See also Fringe Benefits section of this guidance document.


Computing devices that cost less than $5,000, and are essential and allocable to the performance of an award and that will remain property of the University (and not the personal property of an individual), may be charged directly.

Computing device expenses should be properly allocated to all benefitting activities. They may be allocated to multiple sponsored awards if each project’s portion of the use can be reasonably estimated. If a device will be used only in part for an award’s activities, the award may only be charged for a portion of the device’s expense. University-funded activities such as instruction and administration benefitting from the computing device should bear at least their fair share of the acquisition expense. General use computing devices, such as a laptop used within the lab across a variety of projects and activities, should not be charged as a direct cost. The method for determining the portion of the computing device cost allocable to the sponsored award must be directed by the PI and documented at the time of purchase.

Examples of computing devices that may be charged as direct expenses include:
• A laptop specifically needed to record data in field research
• A computer used primarily on the designated sponsored award

For computing devices costing greater than $5,000, systems or equipment fabrications, see Equipment.
Conferences (§200.432)

A conference is defined as a meeting, retreat, seminar, symposium, workshop or event whose primary purpose is the dissemination of technical information and is necessary and reasonable for successful performance under the award. This section covers costs associated with hosting or sponsoring a conference, for information about costs associated with travel to a conference see Travel Expenses.

Allowable costs associated with hosting / sponsoring a conference may include rental of facilities, speakers’ fees, costs of meals and refreshments, local transportation, and other items incidental to such conferences unless further restricted by the terms and conditions of the award.

The University must exercise discretion and judgment in ensuring that conference costs are appropriate, necessary and managed in a manner that minimizes costs to the award.

Consortium Agreements/Subawards (§200.92)

Allowable subaward costs involve those flow through expenses necessary for a subrecipient to carry out a portion of the programmatic effort.

Subaward costs do not include payments to contractors, consultants or other vendors handled through Procurement Services.

Contributions and Donations (§200.434)

Costs of contributions and donations, including cash, property, and services, from the non-Federal entity to other entities, are unallowable.

The value of services and property donated to the non-Federal entity may not be charged to the Federal award either as a direct or indirect (F&A) cost. However, the value of services and property may be used to meet cost sharing or matching requirements with University and Sponsor approval as required.

Copier Charges

Cost associated with routine copying and printing, such as photocopying a journal article, or assigning individual lab team members a personal copy card are generally considered indirect charges and are unallowable as a direct charge on a sponsored award. Copy charges may be an appropriate direct charge in cases when all of the following criteria are met:

- The copy expenses associated with a project are extraordinary (non-routine)
- The copy expenses are an integral part of the specific tasks associated with the sponsored award and are separately tracked

Dependent Care (Temporary)

Dependent care is an unallowable cost under University policy.
Entertainment Costs (§200.438)

Costs of entertainment, including amusement, diversion, and social activities and any associated costs are unallowable, except where specific costs that might otherwise be considered entertainment have a programmatic purpose and are authorized either in the approved budget for the sponsored award or with prior written approval of the awarding agency.


Equipment is defined as tangible, non-expendable, personal property having an anticipated life of one year or more with a unit acquisition cost of $5,000 or greater. Equipment includes, but is not limited to, furnishings, scientific apparatus, machinery, library volumes, artwork, motor vehicles, boats and livestock.

Types of Equipment

- “Special purpose equipment” (§200.89) is equipment that is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include microscopes, genomic sequencers, imaging equipment, and spectrometers.
  - Special purpose equipment is generally allowable on a sponsored award when:
    - It is necessary for the performance of the sponsored award and
    - The sponsor award’s proportional share of the benefit can be reasonably estimated and
    - The awarding agency has approved the direct charge in the awarded budget or there is subsequent written agency approval, if required

- “General purpose equipment” (§200.48) is equipment which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, telephone networks, information technology equipment and systems, air conditioning equipment, and reproduction and printing equipment.
  - General purpose equipment is generally unallowable as a direct cost because the proportional benefit and use cannot be easily linked to a particular cost objective. General purpose equipment may only be appropriate as a direct expense when SPS and the sponsor have provided prior approval and the PI is able to justify all of the following:
    - The equipment is necessary for the unique scientific/technical tasks of the specific sponsored project
    - The equipment not already available as a general use item
    - The equipment will be utilized for the award objectives

Equipment Maintenance & Repairs

Equipment maintenance, service, repairs or warrantee costs for special purpose equipment are allowable charges on a sponsored project if it is required in order to complete the objectives of the project. These activities should be documented and charge proportionately to the benefit received by the charged sponsored project.

Equipment Purchases at the End of Award

Equipment purchases charged directly to an award must be necessary for performance on the project. Further, only the portion of the equipments use that direct benefits the sponsored project should be charged to that project account. When considering the proportional benefit to the project, all benefitting activities associated with the use of the equipment, including analysis, must be completed within the project period. In order to justify the benefit of the equipment to the project, equipment should be received at least 90 days prior to the end date. Equipment
purchases that do not adequately benefit the project within the project period will not be considered an allowable cost.

Equipment purchases near the end of an award require intense scrutiny. Thus, the PI should seek sponsor approval if required, consult with SPS and maintain documentation of the project-specific justification for purchases made within 90 days of the project end date.

Exchange Rates (§200.440)

Expense increases to cover fluctuations in exchange rates is allowable as a direct expense when existing funding is available to cover the difference and there is prior approval by the awarding agency.

Fines and Penalties (§200.441)

Expenses resulting from violations (or alleged violations) of, or failure to comply with, federal, state, local or foreign laws and regulations are unallowable.

Food and Beverage

In general, food and beverages, such as food during lab or other internal meetings, is an unallowable charge.

Food and/or beverages may be allowable as a direct charge when purchased for research subjects and patients under study, or where specifically approved as part of the project activity, provided that such charges are not duplicated in participants’ per diem or subsistence allowances, if any.

In exceptional circumstances, when certain meals are an integral and necessary part of a meeting or conference (i.e., a working meal where business is transacted), grant funds may be used to purchase food and beverages when consistent with the terms and conditions of the award.

Fringe Benefits (§200.431)

Allowable as part of overall compensation to employees in proportion to the amount of time or effort employees devote to the grant-supported project.

Gifts/Prizes/Promotional Items (§200.421)

Unallowable on sponsored projects. This includes costs of "customer appreciation" gifts or items used to express gratitude; costs of promotional items and memorabilia, including models, gifts, and souvenirs; costs of prizes involving "giveaways" in random drawings (i.e., "door prizes"); costs of prizes or awards related to employee performance or morale.

Honoraria

Unallowable when the primary intent is to confer distinction on, or to symbolize respect, esteem, or admiration for, the recipient of the honorarium. However, a payment for services rendered, such as a speaker’s fee under a conference grant, is allowable.
Housing Allowances and Personal Living Expenses (§200.445)

May be allowable on specific awards under specific circumstances and must be approved in advance by the awarding agency.

Insurance (§200.447)

Generally, treated as an F&A cost. Allowable if related to and necessary for the performance of the sponsored project.

Lobbying (§200.450)

The cost of certain influencing activities associated with obtaining grants, contracts, cooperative agreements or loans, including the use of federal funds to pay any person for influence or attempt to influence, is an unallowable cost. For exceptions, see 2 CFR 200.450(2).

Materials & Supplies (§200.453, §200.94)

Supplies and materials includes any tangible item and is not considered to be equipment (See Equipment).

Items purchased specifically for one or more research project(s) may be charged as direct expenses in a manner proportional to the benefit received. The assignment of these costs should be project-specific, reasonable and based on actual or historical use. If the use of the items is shared among projects or labs, an allocation methodology should be created, documented and periodically reviewed.

General purpose and administrative materials and supplies purchased and used by departments for all activities should not be directly charged to sponsored awards. In exceptional circumstances, when the direct benefit to a sponsored project can be readily assigned, administrative or office supplies can be direct charged to a sponsored project.

Examples of office supplies that may be charged as a direct expense include:

- Office supplies specifically purchased for a program project or a survey funded by a grant
- Materials required for poster or publication preparation (poster board, photographic supplies, color paper) for a presentation that is directly attributed to the sponsored project

Membership, Dues and Professional Activity Expenses

Dues and memberships in professional organizations are normally charged as F&A costs because their purpose is more general in nature (i.e., furthering a PI's knowledge in his/her field) and direct benefit of these costs cannot be assigned, with a high degree of specificity, to an individual research project.

Membership may be charged if it is required for conference attendance where the researcher is presenting his or her research or is obtaining, circulating, or distributing information to advance the performance of the project.

Note: The membership fee is also allowable as a direct cost to the project if it reduces the overall cost of attending the conference.

Participant Support Costs (§200.75, §200.456)

Expenses for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to (or on behalf of) participants or trainees (but not employees) in connection with conferences or training projects may
be charged as direct expenses in certain cases. This cost category may require sponsor prior approval to either charge these costs to the sponsored award or rebudget funds out of the participant support cost category. See the sponsor terms and conditions and the Research Terms and Conditions Prior Approval Matrix for sponsor requirements.

See UConn’s Participant Support Guidance for more information.

Postage and Express Delivery (§200.473)

Routine postage or express mailing expenses are generally treated as F&A costs and therefore should not be charged as a direct cost on sponsored projects.

In cases where the cost represents a non-routine postage charge required for a specific project, and that cost can be separately tracked, the cost may be allowable as a direct expense.

Examples of shipping and postage expenses that may be charged as direct costs:
  • Shipping specimens to a lab facility for processing
  • Postage for surveys
  • Shipping model organisms
  • Shipping research presentation materials for a conference when the benefit associated with conference attendance and presentation can also be directly assigned to the project

Transportation of Property

Transportation of property is generally allowable for freight, express, cartage, postage, and other transportation services relating to goods either purchased, in process, or delivered, including instances when equipment or other property is moved from one grantee to another.

Professional Service Expenses (§200.459, §200.435)

Costs of professional and consultant services are allowable as direct expenses when all of the following conditions are met:
  • The service has been determined as allowable and necessary for the award
  • The professional or consultant is not an employee of UConn
  • The expenses / costs of services are reasonable in relation to the services rendered

Procurement practices relating to consulting services including sourcing must follow the requirements of the Uniform Guidance, University Policy and any award-specific terms and conditions.

Proposal Activities (§200.460)

The costs of preparing bids, proposals, or applications for potential sponsored awards or projects, including compensation, printing, and computing devices, including those associated with a proposal for an extension or competing segment of a current sponsored project, are not allowable direct charges to sponsored project awards and are treated as F&A costs.

Publication and Printing Costs (§200.461)

Unless specifically stated otherwise in the terms and conditions of the award, sponsors require an acknowledgement of support and a disclaimer in any publication for which the grant supported the work to
achieve the results. Publication costs for documenting, preparing, publishing, disseminating, page and reprint charges, and sharing of project findings and supporting material are generally allowable as direct charges on sponsored projects during the project period. Note that if the publication is supported by more than one sponsored award, the associated publication charges should be allocated to each account accordingly. These costs may also be allowable if incurred after the project expiration but prior to the University closeout of the sponsored award.

Charges incurred after the award end date must be recorded in the award account at least 30 days prior to the closeout date to allow time for account reconciliation and preparation of the agency Final Financial Report (FFR).

See [Guidance on Scholarly Publication Costs](#) for more information.

**Registration Fees (for symposia & seminars)**

Allowable if necessary to accomplish project objectives.

**Rental or Lease of Facilities or Equipment (§200.465)**

Subject to certain limitations, rental costs are allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the property leased. Rental arrangements should be reviewed periodically to determine if circumstances have changed and other options are available. Generally, the rental costs for facilities and equipment applicable to each budget period should be charged to that period.

**Research Subject Incentives**

Research projects may require the participation of human subjects (also known as research participants). Often, these individuals receive payments or incentives for their participation in a research project.

Generally, subject incentives include cash, checks, gift cards, gift giveaways, food, drawings, etc. and must be consistent with the approved IRB protocol. Research subject incentives are allowable as a direct cost when the research (and associated protocol activities) directly benefit the sponsored award.

Examples include:

- Providing cash or cash equivalents to participants for their time spent on a particular research survey, activity, etc.
- Stuffed animals given to children for their completion of child-based research activities

Subject incentive costs do not include costs that would fall under Participant Support Costs or Food and Beverages.

See [Guidance for Human Subject Participant Payments on Sponsored Awards](#) for more information

**Sabbatical Leave Costs (§200.430)**

Salary may be charged directly to the project for services rendered to the project by individuals while they are on sabbatical leave, provided that the salary cost is proportional to the services performed on the project. Any sabbatical leave pay in combination with other compensation (e.g. partial salary from award), may not exceed 100% of the individual’s regular salary.
All compensation charges must further be substantiated by UConn’s Time and Effort procedures in order to be considered an allowable sponsored project cost.

Scholarships and Student Aid (§200.466)

Only allowed as a direct cost training grants and fellowship awards and when approved by the sponsor.

Selling & Marketing Costs (§200.467)

Costs of selling and marketing any products or services of the University (unless allowed under §200.421 Advertising and public relations.) are unallowable, except as direct costs, with prior approval by the awarding agency when necessary for the performance of the award.

Specialized Service Facilities (§200.468)

Service center fees and charges are allowable as a direct charge on a sponsored award when all the following criteria are met:

- The service center charges are based on actual usage
- The portion of the costs applied to the sponsored project is proportional to the direct benefit received by the award
- The charge is based on an established rate schedule or methodology that does not discriminate between activities on sponsored awards and is designed to recover only the aggregate costs of the services
- The service facility and its associated rates have been approved by the Office of Cost Analysis

Termination or Suspension Costs

The University may not incur new obligations after the effective date of the termination or suspension or a sponsored award and must cancel as many outstanding obligations as possible. Sponsors may allow reimbursement for allowable costs if the obligations were properly incurred by the recipient before suspension or termination (not in anticipation of it) and are not cancelable.

Travel Expenses (§200.474)

Travel-related expenses are allowable as direct expenses when the travel provides a direct benefit to the sponsored award.

Travel costs are classified as those expenses for transportation, lodging, subsistence and related items incurred by employees who are traveling on official University business directly related to the sponsored award. Unless otherwise stated by the sponsor, domestic travel is considered to be travel among any of the 50 United States, its possessions and territories, and Canada. Foreign travel is classified as travel outside these areas.

Please see the University Travel Policy at the Travel Services website for detailed guidance on University travel and federal requirements for travel.

Tuition Remission

UConn does not currently direct charge tuition for Graduate Assistants to sponsored project awards. UConn allows the charging of fellowship and scholarship costs, including tuition to be charged to training and fellowship awards. Tuition charged must be proportionately charged in accordance with the amount of effort on the project unless otherwise stated in the terms and conditions of the award.