



Uniform Guidance Cost Principles Reference Guide

The [Uniform Guidance](#) issued by the White House Office of Management and Budget includes revised cost principles for federal awards made on or after December 26, 2014. This Cost Principles Reference Guide highlights select items of cost that should be considered in the budget preparation process and post-award management, in accordance with the Uniform Guidance.

	Description	Code Section	Directly chargeable to federal project?	Prior agency written approval required?*
1.	Admin & Clerical Salaries	200.413 200.430	Yes, if they are integral to the project's objectives.	Yes, justification must explain integral nature to the project.
2.	Computing Devices (under \$3,000/unit)	200.453	Yes, provided they are essential and allocable to the project.	Yes, justification must contain detailed itemized list
3.	Entertainment	200.438	No, unless cost is specific and has programmatic purpose to the project.	Yes, justification must explain the programmatic purpose.
4.	Exchange Rates	200.440	Yes.	Yes, if the change requires additional funding or a reduction in scope.
5.	Goods or Services for Personal Use	200.445	No, unless they are essential and allocable to the project.	Yes, for housing. Justification must explain how housing or housing allowance is essential and allocable.
6.	Participant Support Costs	200.456 200.75	Yes, now universally across all agencies.	Yes.
7.	Publication and Printing	200.461	Yes, even if incurred outside the period of award before closeout.	No.
8.	Rearrangement & Reconversion Costs	200.462	Yes, provided they are essential and allocable to the project.	Yes, justification must explain how facility modifications directly benefit the project.
9.	Taxes (including VAT)	200.470	Yes, except taxes from which exemptions are available, special assessments on land, and federal income tax	No.
10.	Visas	200.463	Yes, if critical and necessary for the project.	No.

*Items requiring prior approval must specifically be requested in the proposal budget, or, post-award, must be requested in writing before the proposed change. All such requests must be co-signed by your [Pre-Award Sr. Grant Administrator](#).



Overview of Key Principles

For any cost to be **allowable** under a federal award, it must:

- Be necessary and reasonable for the performance of the award and allocable thereto;
- Conform to any limitations or exclusions set forth in applicable regulations or in the award itself;
- Be consistent with policies and procedures that apply uniformly to both federally-financed and other Rensselaer activities; and
- Be accorded consistent treatment.

“Direct costs” are those costs that can be identified specifically with a particular sponsored project or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. In contrast, “indirect costs,” or facilities and administrative (F&A) costs are those, such as building operations and maintenance, administrative personnel and systems, and other similar costs, that benefit many activities. Costs incurred for the same purpose in like circumstances must be treated consistently, as either direct or indirect costs. See 2 C.F.R. §§ 200.403, 405 and 413.

1. Administrative and Clerical Salaries ([200.413](#) / [200.430](#))

The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following 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; and
- Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency

**Integral is defined as essential to the project’s goals and objectives, rather than necessary for the overall operation of the institution.*

You may not include the salaries of administrative personnel conducting such activities as financial reconciliations, general office clerical work, and proposal preparation, as these costs must be recovered through Indirect Costs.

Examples of projects where administrative and clerical costs could be included as direct costs in a proposal, with proper justification, include, but are not limited to:

- Large, complex programs, such as program projects, centers, and other similar sponsored projects;
- Projects with complex project management requirements, e.g., managing multiple subawards; and
- Projects that require making travel and meeting arrangements for large numbers of participants, such as conferences.

Costs for developing and maintaining human or animal research protocols, managing substances and chemicals, securing project-specific data, or coordinating research subjects, are not considered “administrative and clerical.” Therefore these costs may be directly charged to a project without obtaining prior approval, provided that they are directly related to work under a federal award and meet all the standard costing requirements.

**Items requiring prior approval must specifically be requested in the proposal budget, or, post-award, must be requested in writing before the proposed change. All such requests must be co-signed by your [Pre-Award Sr. Grant Administrator](#).*



The budget justification for any award seeking to charge salaries of administrative and clerical staff *must* include a narrative that explains how the services are integral to the project.

***Non-federally Sponsored Projects:** Direct charging of administrative or clerical salaries to a non-federally sponsored project is appropriate if the services benefit the sponsored project. Some non-federal sponsors may have specific requirements for direct charging of administrative costs. Such requirements should be addressed in proposals.

2. Direct Charges for Computing Devices ([200.453](#))

The definition of *supplies* in existing guidance includes all tangible personal property that fall below the prescribed threshold for equipment. Since, as technology improves, computing devices are (inclusive of accessories) increasingly falling below this threshold, the proposed guidance made explicit that when they do, they shall be treated consistently with all other items below this level.

Computing devices are defined as machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. Computing devices should be included under the budget category ‘*Materials and Supplies*’ in proposals. Computing devices costing less than **\$3,000***, which are essential and allocable, but not solely dedicated to the performance of a federal award, may be charged 100% to an award, or may be allocated to several awards.

While no prior agency approval is required, computing devices should be itemized in the proposal budget. In addition, the project must *not* have reasonable access to other devices or equipment that can achieve the same purpose. Devices may not be purchased for reasons of convenience or preference.

Capitalized equipment is still classified as general purpose equipment and is normally unallowable as a direct cost unless approved by the awarding agency. [Rensselaer’s capital equipment](#) (including computer equipment) is defined as any movable asset valued at **\$3,000*** or more, with a useful life of 1 year or more and not permanently affixed to a building.

**Federal agencies use a default threshold of \$5,000 or more however, the capitalization level can be governed by the non-federal organization. Rensselaer’s current threshold for capital equipment is \$3,000 or more.*

3. Entertainment ([200.438](#))

Entertainment costs are allowable only when the cost is specific and has a programmatic purpose to the award, and is authorized either in the approved budget or with the prior written approval of the federal awarding agency. In all other cases, costs of entertainment, including amusement, and social activities, and any associated costs are unallowable.

4. Exchange Rates ([200.440](#))

The cost of fluctuations in exchange rates is allowable as long as there is funding available on the award and prior approval has been received from the federal awarding agency. The institution must review local

**Items requiring prior approval must specifically be requested in the proposal budget, or, post-award, must be requested in writing before the proposed change. All such requests must be co-signed by your [Pre-Award Sr. Grant Administrator](#).*



currency gains to determine the need for additional federal funding before the expiration date of the federal award.

Prior approval is not required every time the exchange rate changes and a federal award is charged. Approval of exchange rate fluctuations is required only when the change results in the need for additional federal funding, or the increased costs results in the need to significantly reduce the scope of the project.

5. Goods or Services for Personal Use ([200.445](#))

Housing, housing allowance and personal living expenses are allowable if approved in advance by the awarding agency as a direct charge. The budget justification must explain the direct benefit to the project.

Costs of goods or services for personal use are unallowable regardless of whether the cost is reported as taxable to the employee.

6. Participant Support Costs ([200.75](#) / [200.456](#))

Participant* support costs are direct costs 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. These costs must now be accepted by agencies as allowable costs, but still require prior agency approval. In addition, these costs must be excluded when calculating the Modified Total Direct Costs (MTDC) to determine the overall project's F&A costs.

**Participant is defined as an individual who is the recipient of a service or training provided at a workshop, conference, seminar, symposium or other short-term instructional or information sharing activity funded by a sponsored project. A University employee may not be a participant.*

7. Publication and Printing Costs ([200.461](#))

Costs of publication or sharing of research results that are incurred outside the period of award performance are allowable and may be charged before project closeout, even if the project has ended. These costs should be included in the budget. If publication costs are not identifiable with a particular cost objective they should be allocated as indirect costs and funded by a non-sponsored source.

8. Rearrangement and Reconversion Costs ([200.462](#))

Costs incurred for special arrangements and alterations of facilities specifically for a federal award are allowable as a direct cost with the prior approval of the awarding agency. The budget justification must explain the direct benefit to the project. Costs incurred for ordinary and normal rearrangement and alteration of facilities are allowable only as indirect costs.

**Items requiring prior approval must specifically be requested in the proposal budget, or, post-award, must be requested in writing before the proposed change. All such requests must be co-signed by your [Pre-Award Sr. Grant Administrator](#).*



9. Taxes, including Value Added Tax ([200.463](#))

Taxes required to be paid in accordance with Generally Accepted Accounting Principles (GAAP), payments made to local governments in lieu of taxes that are commensurate with local government services received, and taxes charged for purchase of goods or services that must be paid in country (i.e., Value Added Tax) are allowable, except:

- Taxes for which exemptions are directly available or which are available based on an exemption afforded the federal government, and when the federal awarding agency makes available the necessary exemption certificates;
- Special assessments on land that represent capital improvements; and
- Federal income taxes.

10. Visas ([200.463](#))

Short-term visas (as opposed to longer-term immigration visas) are issued for a specific period and purpose, and therefore can be clearly identified as directly connected to recruitment of personnel for a federal award. For the costs to be directly charged to a federal award, they must:

- Be critical and necessary for the conduct of the project;
- Be allowable under the applicable cost principles;
- Be consistent with the non-federal entity's cost accounting practices and entity policy; and
- Meet the definition of "direct costs" as described in the applicable cost principles.

**Items requiring prior approval must specifically be requested in the proposal budget, or, post-award, must be requested in writing before the proposed change. All such requests must be co-signed by your [Pre-Award Sr. Grant Administrator](#).*