RUTGERS UNIVERSITY
Office for Research

Research and Sponsored Programs Procedure

Charging of Administrative and Clerical Salaries

1. Overview

Rutgers University, as a recipient of sponsored awards, is obligated to ensure compliance with governing laws, regulations, and the terms and conditions of each award. This includes adhering to federal cost principles, which require that all reimbursable costs be reasonable, allowable, and allocable, and be charged as either direct or indirect (F&A) costs.

Generally, administrative and clerical salary costs, along with programmatic salary costs, are considered indirect costs and are not typically charged directly to a federal award. However, there are specific conditions under which direct charging of these costs may be appropriate.

2. Purpose

This procedure outlines the expectations and requirements for when administrative and clerical salary costs and programmatic salary costs may be appropriately charged as direct costs on competitive and non-competitive proposal budgets, in accordance with Uniform Guidance § 200.413, Direct costs. It provides guidance to faculty and staff involved in sponsored program administration on these specific conditions.

3. Who Must Comply

All members of the Rutgers University community who are responsible for sponsored program administration should read and comply with this policy. This includes:

- Principal Investigators (PIs)
- Department Administrators
- Research and Sponsored Programs (ORSP) personnel
- Research Financial Services (RFS) personnel

4. Definitions

Administrative and Clerical Salary Costs:	Costs related to general administrative or clerical duties, such as managing personnel data; facilitating large, collaborative groups; managing travel plans and reimbursement requests; data accumulation, entry, and/or analysis; and production of written materials/manuals.
Direct Costs:	Costs that can be specifically identified with a particular sponsored project or activity.
Indirect Costs (F&A):	Facilities and Administrative Costs are actual costs incurred during an organization's normal business activities that cannot be readily identified with or directly charged to a specific project or activity. These are real, audited costs incurred by Rutgers each time it accepts an award for a sponsored project.

Integral:	The services are essential, vital, or fundamental to project activity. For administrative or clerical services, this typically means a minimum of 25% FTE compensation is budgeted in the grant's budget year for such services, unless there are documented special circumstances.
Principal Investigator (PI) / Project Director (PD):	Most often, a faculty member who submitted a proposal that was funded by an external sponsor. The PI has primary responsibility for technical compliance, completion of programmatic work, and fiscal stewardship of sponsored funds, ensuring all terms and conditions of the award are met.
Programmatic Salary Costs:	Costs related to specific aspects of the ongoing activity, such as writing reports and articles, delivering special lectures, developing and maintaining protocols, managing substances/chemicals, managing and securing project-specific data, coordinating research subjects, and attending meetings and conferences.
Sponsored Award	An award from an external entity that binds the University to a set of specific terms and conditions.

5. Procedure

A. General Principle Administrative and Clerical Salary Costs should generally be treated as indirect (F&A) costs in most sponsored programs.

B. Direct Charging of Administrative and Clerical Salary Costs A PI may choose to direct-charge certain administrative and clerical salary costs to a specific award if all the following conditions are met:

- The administrative or clerical services are integral to the project or activity.
- The individuals involved can be specifically identified with the project or activity.
- Such costs are explicitly included in the budget or have prior written approval of the awarding agency.
- Such costs are also not recovered as indirect costs.

If all these requirements are met, PIs must explicitly include these costs in the proposal budget and justification to facilitate the required agency approval.

C. Direct Charging of Programmatic Salary Costs Programmatic Salary Costs are allowable as direct costs when such costs are contributing and directly related to work under a specific award or agreement. These costs are not subject to the same prior approval requirements as Administrative and Clerical Costs.

D. General Requirements for All Direct-Charged Salary Costs When charged as direct costs, both administrative and clerical salary costs and programmatic salary costs are subject to all direct costing requirements of allocability, reasonableness, and allowability, and must be in accordance with the terms of the award and incurred during the award period.

An administrative or clerical employee's time may be fully or partially charged to a sponsored project, with the balance charged to non-sponsored funding sources. The employee's effort for any effort direct-charged to the sponsored program must be certified via the effort reporting system.

E. Subsequent Approvals During Award Life If new or additional administrative or clerical support is required (over 25% of the amount previously approved) during the life of the award, PIs must obtain approval from the sponsor.

6. Roles and Responsibilities

Exceptions and things to consider:

- Principal Investigator (PI):
  - Identifies the need to include appropriate administrative and clerical salaries as direct costs on a sponsored program.
  - Ensures that conditions for direct charging are met.
  - Explicitly includes these costs in the proposal budget and justification for agency approval.
  - Obtain sponsor approval if new or additional administrative/clerical support (over 25% of previously approved) is needed during the award.
  - Ensures employee effort for direct-charged time is certified.
- Department Administrator:
  - Assists the PI in budgeting for and tracking administrative and clerical salary costs in accordance with University policies and sponsor commitments and requirements.
- Research and Sponsored Programs (RSP)
  - Provides expert advice on charging administrative and clerical salary costs per applicable sponsor requirements and University policies.
  - Assists the PI/Department Administrator with obtaining prior approval from the sponsoring agency.
- Research Financial Services (RFS)
  - Coordinates with ORSP to ensure that administrative and clerical salary costs are charged in accordance with the sponsor's requirements.

7. Resources

- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, Final Guidance (including § 200.413 Direct Costs).
- Research and Sponsored Programs website: https://research.rutgers.edu/faculty-staff/pre-award

8. Contacts

- Research and Sponsored Programs: (848) 932-0150, ru-orsp@research.rutgers.edu.
- Research Financial Services: (848) 932-4146, financialservices@research.rutgers.edu.