

- x Charging ending sponsored projects to expend funds without regard to the benefit derived from the cost.
- x Identifying a cost as something other than what it actually is, such as classifying an item of equipment as a supply.

Unallowable Costs on Federal Awards

Expenses unallowable for federal reimbursement include:

- x Advertising for purposes other than recruitment
- x Memorabilia or promotional materials
- x Gifts and cash donations
- x Alcoholic beverages
- x Entertainment
- x Fundraising or lobbying costs (including travel and meals)
- x Non-travel status meals where the primary objective is an unallowable activity or purpose
- x Fines and penalties
- x Certain travel costs, eg., first-class travel
- x Memberships in civic, community or social organizations, or dining or country clubs
- x Goods or services for the personal use of employees, including home internet service, automobiles, etc.

Reason for Policy

In order to comply with Office of Management and Budget (OMB) Circular A-21 requirement for costing on federally funded projects Roosevelt University has established the following policy for charging costs to sponsored projects. It is the responsibility of principle investigators, project directors, and administrators to understand and comply with institutional, sponsor, and federal regulations.

Entities Affected by this Policy

This policy applies to all principle investigators, project directors, and administrators of federal, state, local and private grant sources.

Web Address

To be completed by the President's Chief of Staff.

Implementation

Policy for Allowable Costs Charged Directly or through the F&A Rate

In order to comply with the federal implementation of OMB Circular A-21 and the Cost Accounting Standards Board requirements, the policy is to charge the following types of

costs as either Direct or Indirect (F&A). Questions regarding normally indirect cost items should be directed to Sponsored Research.

Direct Costs

Normally F&A Costs

Charging Normally F&A Costs to Sponsored Projects

OMB A-21 allows for the direct charging of F&A costs in certain situations where major projects or programs place substantial administrative burdens on the university. Therefore, project budgets may include direct charges for F&A costs provided ALL of the following conditions are met:

- x The costs are readily identified with the project with a high degree of accuracy.
- x The costs are incurred for a different purpose or circumstance as described below.
- x The costs are explicitly budgeted. For proposal submissions, the costs are identified as a normally F&A costs and ju

Approval After Award Issuance. If a normally indirect cost item is identified as necessary for a federally funded project subsequent to award issuance, a rebudgeting request should be submitted identifying the item needed and presenting a justification that clearly documents the unlike circumstance that make the cost allocable as a direct cost to the sponsored project. Upon review of the justification, Sponsored Research will make a determination as to whether a reasonable justification exists to charge an F&A item as a direct charge. The explanation submitted by the project director/principle investigator will be maintained by Sponsored Research as justification for audit purposes. In the event Sponsored Research does not approve the rebudgeting request for a normally indirect cost item, the investigator can upon the submission of a written appeal to Sponsored Research, request Finance provide a final review and decision regarding the request.

Charges Not Explicitly Budgeted. Charges for items that are normally indirect which have not been explicitly budgeted on a project will be transferred to an institutional account and will not be billed to the sponsor.

Online Resources and Forms

[OMB Circulars A-21,A-110](#)