Cost Accounting Standards for Educational Institutions (CAS): Allowable and Unallowable Costs

Frequently Asked Questions: (FAQ’s)

Q1. Am I allowed to purchase personal items for myself, family, friends, vendors, or anyone else?

A1. No. You can only purchase products and services used and consumed in the normal course of the University’s operations. Personnel action can and will be taken by the University against anyone using the procurement system for personal gain.

Q2. May I buy office supplies (pens, pencils, paper, etc.) and charge it to a sponsored program?

A2. Generally supplies of this nature may not be charged directly to a sponsored program and should be charged to the department responsible for the sponsored program. Office supplies are generally not allowable, since the cost of general office supplies are recovered via the university's collection of F&A. Supplies can only be charged directly to a sponsored project when the quantity of office supplies needed for a project is significantly greater than the routine level. For example, if a project involves developing and distributing educational materials throughout the state of Florida, charging the cost of the curricular materials directly to the project may be justifiable. A large center proposal also may require a greater than routine level of office supplies to conduct its business. A CAS form is required.

General purpose computer supplies (e.g., toner and inkjet cartridges) are considered office supplies, not laboratory supplies, and therefore should not be charged directly to a project unless specific justification can be provided.

In all such cases, it is imperative that a specific budget justification be provided for why office supplies are being charged directly to the project. Exceptions should be discussed with the OSP. See OMB Circular A-21 for additional information.

Q3. A principal investigator (PI) is purchasing a new centrifuge for her lab that will be shared with other PIs working on various projects. Can the centrifuge be charged to one Federal grant?

A3. The PI should request permission from the sponsor prior to charging the grant. If the PI has several grants and wants to charge the equipment to one grant, permission should be sought from each sponsor.

Q4. Our Departmental Administrative Assistant provides routine assistance with regular projects. Since this is a sponsor requirement, can I charge a percentage of her salary directly to my NIH Grant?

A4. No. The administrative work required here, while essential, is not significantly above the “routine” level, and therefore is included in the indirect cost according to OMB Circular A-21.

Q5. I'm preparing an NSF proposal for a survey research project that requires extensive mailings. Can I include the cost of the paper, reproduction and postage in the project budget?

A5. Yes. In this case, these expenses, which would normally appear "administrative," are actually "technical," because they are directly connected to the performance of the statement of work for your project. A CAS Exemption should be completed during the proposal submission process.
Q6. I would like to charge annual membership dues to a professional association to my DoD award. The membership entitles me to receive a copy of an internationally recognized periodical and also allows me a discount on registration fees for several international conferences in my field of study. Is this allowable?

A6. Yes. Memberships that are required for attendance at professional technical conferences can be directly charged to federal sponsors when the costs have been specifically budgeted for and justified in the grant proposal and not specifically disallowed by the granting agency. A CAS Exemption form is required.

Q7. My laboratory graduate student requires a computer to help write papers and perform data analysis. Can I charge this to my USDA Grant?

A7. Computers (inventorial and non-inventorial) used to accomplish the scientific technical scope may be charged directly to sponsored awards provided they can be specifically identified to and benefit the project, and are included and justified in the budget.

Q8. When is it appropriate to charge administrative or clerical salaries to a project?

A8. If a project only requires a routine level of clerical or administrative support, such support is to be covered by the faculty member’s department, since these costs are recovered via the university’s collection of F&A costs. Clerical and administrative support can only be charged directly to a sponsored project when the level of support needed for a project is significantly greater than the routine level of services provided by the faculty member’s department. See Exemption to Direct Charge Cost Normally Treated as Indirect Cost procedure and OMB Circular A-21. For example, if a project involves a very large mail survey, the project may be able to justify charging a portion of a staff assistant’s time to the project if he or she will be involved in preparing, copying, and mailing the survey, and collecting and collating the results. Major projects (such as multi-institutional research centers) also may require additional administrative support. Projects that involve extensive travel and meeting arrangements, such as conferences, also may require additional administrative support. Other examples “where direct charging of administrative or clerical staff salaries may be appropriate” can be found in OMB Circular A-21, Exhibit C. In all such cases, it is imperative that a detailed budget justification be provided in the proposal regarding why clerical and/or administrative salaries are being charged directly to the project. A CAS form will be required with detailed justification.

Q9. When is it appropriate to charge telecommunication charges to a project?

A9. Some telecommunication charges (e.g., long-distance phone charges) can be charged directly to a project, as long as it can be documented that the costs are being incurred for the sole benefit of the project. Routine telecommunication costs (e.g., installation charges, monthly use charges, local access calls, pagers, cell phones, and other communication devices) should not be charged directly to a project, since they are recovered via the university’s collection of F&A. Exceptions are possible. If a phone line or special communication device is needed for a project-specific purpose (and will be used only for that project), the associated costs may be charged directly to the project. In all such cases, it is imperative that a detailed budget justification be provided explaining why the telecommunication costs are being charged directly to the project. A CAS form is required with a detailed justification.

Q10. When is it appropriate to charge general purpose equipment or furniture to a project?

A10. General purpose equipment (e.g., fax machines) and furniture are considered F&A costs and should not be charged directly to a project. Exceptions are possible in unusual circumstances, e.g., in the case of an office being set up in a remote location to perform a special function (such as an office being established
on a seagoing research vessel). It is particularly crucial that such exceptions be well documented, considering the costs associated with such items.

Many faculty members request to purchase computers on their sponsored projects. Many computers are general purpose equipment, and therefore should not be charged to sponsored projects. Some projects may require specialized computers such as for high end computational and/or scientific research. Those projects may require dedicated laptops or iPads for fieldwork. In all such cases, project-specific justification should be provided. If a computer is being charged to a specific project, it should be made clear that the computer will be used for the sole benefit of that project. A CAS Exemption form is required.

Under almost no circumstances should computers or other equipment be charged to a sponsored project during the last six months of the project, since it is unlikely that the project will derive sufficient benefit to justify the cost. Purchases of computers and other equipment should be made as early as possible in the period of performance to avoid being disallowed by auditors.

Q11. The sponsor has approved our proposal budget, which includes staff assistant time and/or other costs normally associated with F&A. Does that mean that the costs can be charged to the project?

A11. Not necessarily. FAMU is obligated to abide by OMB Circular A-21, regardless of whether the proposed budget was approved. Costs can still be disallowed by a federal auditor if not consistent with A-21.

Q12. What is the role of the Office of Sponsored Programs (OSP) in reviewing proposal budgets for CAS compliance?

A12. The OSP expects all individuals preparing proposals, white papers, task orders, and subcontracts, at FAMU to comply with the CAS. The OSP should always receive a copy of the detailed proposal budget (even for NIH modular budgets and Florida Department of Education). If OSP identifies a questionable cost, it will contact the college/unit for additional information. If the costs are consistent with the CAS, OSP may require more detailed budget notes to document the justification. If the budgeted costs are inconsistent with the CAS, OSP will request the college/unit to submit a revised budget. In some cases, these revised budgets may be for internal purposes only (to document that the inappropriate costs have been removed from the budget). In other cases, the sponsor may require prior approval of budget revisions.

ADDITIONAL RESOURCES:

OMB Circular A-21 (2 CFR 220)
FAMU Policies/Procedures