

# **Cost Principles for Sponsored Projects**



University of Colorado  
Denver | Anschutz Medical Campus

## **Cost Principles for Sponsored Projects**

Course Description: This course provides an overview of the cost principles applicable to federal awards and discusses university policies for charging sponsored projects. This course also explains the difference between direct costs and indirect (F&A) costs and how the cost principles apply to the award lifecycle.

### Objectives:

After completion of this course, you will be able to:

1. Identify the policies affecting the cost principles.
2. Differentiate between direct costs and indirect (F&A) costs
3. Describe the criteria to charge a cost to a sponsored project
4. Apply the cost principles

# Cost Principles for Sponsored Projects

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## **1. Source Requirements for the Cost Principles**

### **1.1 What are Cost Principles?**

**Cost principles** is an accounting term that explains what costs may be charged to a sponsored award and how those costs should be classified.

The cost principles affect sponsored projects throughout the entire award lifecycle. In the pre-award phase, research administrators must use the cost principles in developing a proposal budget. During the post-award phase, research administrators must adhere to the cost principles when charging costs to a sponsored project.

### **1.2 Award Terms and Conditions**

The award terms and conditions for each sponsored project identifies the applicable requirements for charging costs. While each sponsor generally uses the same terms and conditions for each of its awards, there may be times a sponsor issues award-specific terms and conditions that alter sponsor policy. Research administrators must review the award terms and conditions for every project to identify any award-specific conditions.

### **1.3 University Policies**

Employees of the University of Colorado Denver | Anschutz Medical Campus must adhere to all university's policies and procedures. Policies that affect the costs to sponsored projects include:

- Awards or Subcontracts with State of Colorado Agencies
- Clinical Trials
- Cost Sharing
- Cost Transfers on Sponsored Projects
- Direct Charges to Federally Sponsored Projects<sup>1</sup>
- Domestic Travel Policy for Faculty and Staff – Travel Involving Students or Others
- Employee Fringe Benefit Pools
- Facilities and Administrative Costs
- Faculty Compensation – CU Anschutz
- Faculty Compensation – CU Denver
- Gift Cards
- International Travel Policy for Faculty and Staff
- Moving and Relocation Expense Reimbursement
- Retention of University Records
- Research Postdoctoral Fellows/Trainees
- Time and Effort Reporting on Sponsored Projects

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<sup>1</sup> The university's policy for Direct Charges to Federally Sponsored Projects is found in Appendix I starting on page 57



### Resource

All university policies and guidelines are found at:

[http://www.ucdenver.edu/faculty\\_staff/employees/policies/Pages/default.aspx](http://www.ucdenver.edu/faculty_staff/employees/policies/Pages/default.aspx)

## 1.4 Federal Award Cost Principles

The cost principles for federal awards are defined and governed by **2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)**. The Office of Management and Budget (OMB), an office within the Executive Office of the President, issued the Uniform Guidance, which became applicable to all federal grants and cooperative agreements issued on or after December 26, 2014. 2 CFR 200, Subpart E contains the cost principles for federal awards and subawards.


The following table identifies the structure of 2 CFR 200, Subpart E – Cost Principles.

General Provisions	
§200.400	Policy guide
§200.401	Application
Basic Considerations	
§200.402	Composition of costs
§200.403	Factors affecting allowability of costs
§200.404	Reasonable costs
§200.405	Allocable costs
§200.406	Applicable credits
§200.407	Prior written approval (prior approval)
§200.408	Limitation on allowance of costs
§200.409	Special considerations
§200.410	Collection of unallowable costs
§200.411	Adjustments of previously negotiated indirect (F&A) cost rates containing unallowable costs
Direct and Indirect (F&A) Costs	
§200.412	Classifications of costs
§200.413	Direct costs
§200.414	Indirect (F&A) costs
§200.415	Required certifications
Special Considerations for State, Local Governments, and Indian Tribes	
§200.416	Cost allocation plans and indirect (F&A) cost proposals
§200.417	Interagency service

<b>Special Considerations for Institutions of Higher Education</b>	
§200.418	Costs incurred by states and local governments
§200.419	Cost accounting standards and disclosure statement
<b>General Provisions for Selected Items of Cost</b>	
§200.420	Considerations for selected items of cost
§200.421 through §200.475	Selected items of cost

Each federal awarding agency has promulgated regulations implementing 2 CFR 200.<sup>2</sup> The implementing regulations for some federal agencies have agency-specific exceptions to the governmentwide requirements. When reviewing federal cost principle requirements, you should first always review an agency's implementing regulations. For example, when reviewing the cost principles for a National Institutes of Health (NIH) award, you would first want to examine 45 CFR 75, the implementing rules for the U.S. Department of Health and Human Services (HHS).

Prior to 2 CFR 200, the cost principles for grants and cooperative agreements made to universities were located in **OMB Circular A-21 – Cost Principles for Educational Institutions**.



**Resource**

2 CFR 200 is found at:

<https://www.gpo.gov/fdsys/pkg/CFR-2018-title2-vol1/pdf/CFR-2018-title2-vol1-part200.pdf>

The federal cost principles are applicable to federal funding, regardless of what entity is providing funding to the university. For example, assume NIH made an award to the University of Oklahoma, which in turns makes a subaward to the university. Since the original source of funding is from the federal government, the federal cost principles would apply and the university must ensure compliance with federal requirements.

### **1.5 Non-federal Award Cost Principles**

There is no standard requirement for cost principles for non-federal awards. The award terms and conditions for non-federal sponsor projects will vary. Some non-federal sponsors may not even address the cost principles in the award terms and conditions. In such situations, you must follow university policies.

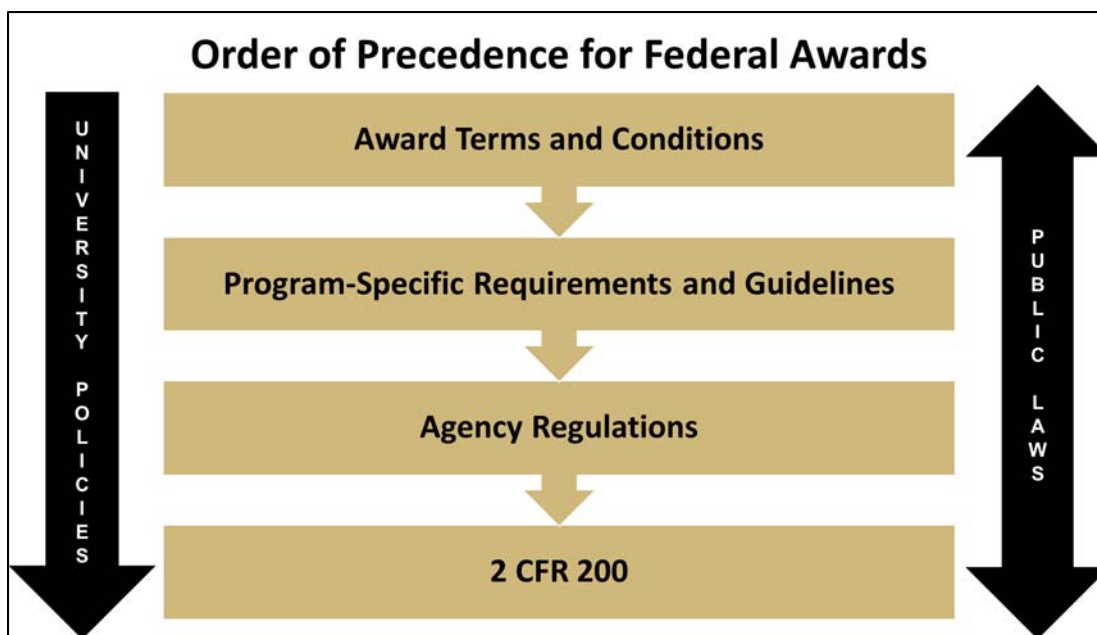
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<sup>2</sup> See Appendix F on page 46 for a list of agency implementing regulations.

## **1.6 Order of Precedence**

In some situations, there may be conflicting or contradictory guidance affecting sponsored awards. The award terms and conditions will generally address the **order of precedence**. The order of precedence indicates which requirements must be followed.

The following graphic details the order of precedence for federal awards.



The order of precedence should be viewed as a hierarchy. To determine the application regulation, review the award terms and conditions first. If you cannot locate the information you are looking for, then proceed to the next level down until you have an answer. You should proceed until you have an answer. If there is a conflict between two requirements, the requirements at the higher level of the order of precedence governs.

All employees must follow university policy. When university policy conflicts with the requirements for a sponsored project, whether a federal or non-federal sponsor, the most restrictive policy governs.

## **1.7 Exercise – Responding to Dr. Mary Smith**

Directions: Dr. Mary Smith is a PI in your department. Read each of the following scenarios and explain how you would respond.

### **Scenario 1**

Dr. Smith emailed you wanting to know if she could charge alcohol to her NIH project. You researched her question and found the following provisions.

- 2 CFR 200.423, the selected item of cost for alcoholic beverages, states the following:  
Costs of alcoholic beverages are unallowable.
- The NIH Grants Policy Statement states the following regarding alcoholic beverages:  
  
Unallowable as an entertainment expense, but allowable if within the scope of an approved research project.
- The university policy on Alcoholic Beverages Purchased for University Events states:  
  
For official functions: The purchase of alcoholic beverages shall only be made using gift funds (Fund 34) that are restricted for entertainment, donor cultivation, or personnel recruitment purposes. The purchase must be approved by the Vice President/Vice Chancellor for Finance or his/her delegate(s).



**Scenario 2**

Dr. Smith needs to submit a travel invoice. For her NIH award, Dr. Smith drove to Pueblo in her personal vehicle to present her findings at a regional conference. She drove 244 miles roundtrip.

You have found the following information regarding travel reimbursement:

- The Internal Revenue Service (IRS) sets the standard mileage rate at \$0.535/mile.
- The mileage reimbursement policy for CU Denver | Anschutz Medical campus states: "For allowable miles driven beginning January 1, 2018, the standard reimbursement rate is \$0.49/mile. (If the nature of the trip and road conditions require the use of a four-wheel-drive vehicle, the 4WD rate is \$0.52/mile.)"

What amount should be charged to the award for Dr. Smith's travel?

**Scenario 3**

On her trip to Pueblo, the Colorado State Patrol cited Dr. Smith for driving 94 mph in a 75 mph zone. Dr. Smith is insisting the \$232 fine be applied to the NIH grant, since she was on official business for the grant.

**Scenario 4**

Dr. Smith is applying for an American Diabetes Association award. To complete her research, Dr. Smith needs an Olympus BX50 Fluorescence Microscope, which costs \$11,436.

The funding opportunity announcement states:

The Association defines equipment as any item costing more than \$5,000 with a lifespan of two or more years. PIs may not spend more than 20% of direct costs per year on equipment purchases. All equipment purchases must be itemized. Equipment not approved in the original proposal requires prior written approval before being purchased. Equipment purchases are not permitted in the final year of the award.

You comment to Dr. Smith that the total cost of equipment, including the microscope, would exceed 20% of direct costs during the first year. Dr. Smith emails you the language from 2 CFR 200.439 Equipment and Other Capital Expenditure. Dr. Smith states that no equipment funding restrictions exists under 2 CFR 200.

## **2. Direct Costs and Indirect (F&A) Costs**

There are two types of cost associated with sponsored projects: direct costs and indirect (F&A) costs. Understanding the types of costs, and consistently classifying costs, is a fundamental responsibility of a research administrator.

### **2.1 Direct Costs**

**Direct costs** are those costs that are specifically associated with a project or activity and are incurred as a result of a sponsored project. Without the sponsored project, the cost would not exist. These costs may include the salary for researchers, laboratory supplies, research equipment, and travel. Direct costs that benefit multiple projects must be charged in proportion to the benefit of each award.

#### **Definition of Direct Cost**

2 CFR 200.413 defines direct costs as:

Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

General categories for direct costs include:

- **Personnel.** The wages and salaries paid to employees who directly work on the project. Collaborators at other institutions should be included either as consultants or within a subaward budget.
- **Fringe benefits.** The cost of benefits paid to the personnel on the project, including the cost of employer's share of FICA, health insurance, workers' compensation, vacation, and supplies.
- **Travel.** The costs associated with travel for personnel that are reasonable and necessary to effectively carry out the project's activities.
- **Equipment.** Per university policy, equipment is nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more.
- **Supplies.** The costs of all tangible personal property other than those included under the Equipment category.
- **Contractual.** The costs of all contracts and subawards. Some sponsors will have separate categories for contracts and for subawards.
- **Construction.** The costs for the initial building, renovation, or large scale modernization or permanent improvement of a facility.
- **Other.** All cost that do not fit any of the aforementioned categories.

## **2.2 Indirect (F&A) Costs**

**Indirect (F&A) costs** are those costs the university incurs for conducting business.<sup>3</sup> Indirect (F&A) costs support the operations of the university, not a specific project. Indirect (F&A) costs are sometimes called facilities and administrative (F&A) costs because the costs are incurred to acquire and maintain buildings and equipment and to provide operational support. The terms “indirect (F&A) cost” and “facilities and administration” are interchangeable. 2 CFR 200 uses the term “indirect (F&A) costs.”

### **Definition of Indirect (F&A) Costs**

2 CFR 200.56 defines indirect (F&A) direct costs as:

Indirect (F&A) costs means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.

Examples of indirect (F&A) costs include:

- Operations and maintenance, which includes:
  - Utilities
  - Custodial services
  - Public safety
  - Building and equipment maintenance
- Departmental administration, which includes:
  - Administrative costs of deans’ offices
  - Office supplies
  - Postage
  - Administrative work of department heads, faculty, and professional research staff
- General and administrative expenses, which includes:
  - Human Resources
  - Accounting
  - Information Technology
  - Office furniture
- Building and equipment depreciation
- Sponsored projects administration
- Interest on construction bonds

The salaries for administrative and clerical staff are generally treated as indirect (F&A) costs. 2 CFR 200.413(c) provides guidance on when it is acceptable to charge

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<sup>3</sup> See Appendix E on page 44 for a graphic depicting direct costs and indirect (F&A) costs for universities.

administrative salaries as direct costs. It is uncommon for the University to directly charge administrative or clerical staff salaries, as most situations do not meet all four requirements.

## **2 CFR 200.413 Direct Costs**

(c) The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

- (1) Administrative or clerical services are integral to a project or activity;
- (2) Individuals involved can be specifically identified with the project or activity;
- (3) Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; **and**
- (4) The costs are not also recovered as indirect (F&A) costs.

## **2.3 Indirect (F&A) Cost Rates**

Budgets for sponsored projects indicate the total for direct costs and indirect (F&A) costs. The total indirect (F&A) costs charged to a sponsored project is a percentage of the direct costs incurred for the project. The indirect (F&A) costs paid by sponsors to the university are referred to as indirect (F&A) cost recovery, as the university is recovering incurred costs to provide operational support for the project.

The university negotiates an indirect (F&A) cost rate with the federal government. The federally negotiated rate, sometimes referred to as the **Negotiated Indirect (F&A) cost Rate Agreement** (NICRA), must be, with limited exceptions, accepted for all federally sponsored projects. For non-federal awards, the university follows the sponsor's published and consistently applied policy.

### **What is a Cognizant Agency for Indirect (F&A) Costs?**

A cognizant agency for indirect (F&A) costs is the federal agency which, on behalf of the federal government, is responsible for reviewing, negotiating, and approving indirect (F&A) cost rates. A cognizant agency is generally the federal agency that provides the most funding to a recipient.

The university's cognizant agency for indirect (F&A) costs is the U.S. Department of Health and Human Services (HHS).

The following table indicates the university's negotiated indirect (F&A) cost rates and the rates applicable for non-federal sponsors.

CU Denver   Anschutz Medical Campus Indirect (F&A) Costs July 1, 2016 - June 30, 2020			
Project Type	On-Campus	Off-Campus	Cost Base
Organized Research	55.5%	26%	MTDC
Instruction	42%	26%	MTDC
Other Sponsored Projects	26%	26%	MTDC
Industry/Non-federal Clinical Trials <sup>4</sup>	28%	28%	TDC
Proof of Concepts Awards (POCg) Tech Transfer	8%	8%	MTDC
Non-profit Associations and Foundations	Sponsor consistently applied published policy <u>OR</u> 10% if no sponsor policy		TDC

The type of project determines the applicable indirect (F&A) cost rate.

- **Organized research** is described as all research and development activities. This includes activities involving the training of individuals in research techniques, called research training, where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.
- **Instruction and training** refers to sponsored projects that support curriculum development, teaching and training activities, except for research training classified as organized research.
- **Other sponsored activities** involve the performance of work other than instruction and organized research. Examples include travel grants, community service projects, and health services projects.
- **Clinical trials** are the controlled, clinical testing in human subjects of investigational new drugs, devices, treatment or diagnostics, or comparisons of approved drugs, or comparison of approved drugs, devices, treatments, or diagnostics, to assess their safety, efficacy, benefits, costs, adverse reactions, and/or outcomes.
- **Proof of Concepts** are awards administered by CU Innovations designed to promote growth and sustainability in seven key industries.

<sup>4</sup> This line on the indirect (F&A) cost rate chart sometimes causes confusion. This is the rate for industry or non-federal clinical trials.

- **Other non-federal and non-profit sponsored projects** must have a published, consistently applied policy that establishes a specific indirect (F&A) cost rate for the project in order for that rate to be honored by the university. For sponsors that do not have an established policy, the proposal must initially use an indirect (F&A) cost rate of no less than 10%.

The on-campus and off-campus rates are determined by the location where a majority of the sponsored project is conducted. If 50% or more of the work is to take place at an on-campus facility, then the on-campus indirect (F&A) cost rate must be used. If the majority of the work is to take place off-campus, then the off-campus rate must be used.<sup>5</sup>

When calculating indirect (F&A) costs, research administrators need to ensure that the indirect (F&A) cost rate is applied to the appropriate cost base. The two cost bases the university uses are:

- **Total Direct Costs (TDC).** TDC is the sum of all direct costs charged to a sponsored project.
- **Modified Total Direct Costs (MTDC).** This base includes the sum of:
  - Salaries and wages
  - Fringe benefits
  - Materials and supplies
  - Animal resource center costs
  - Services
  - Travel
  - Subawards and contracts up to the first \$25,000 of each subaward or contract

The following costs are excluded from the MTDC base:

- Capital equipment (per unit acquisition cost of \$5,000 or more with a useful life of more than one year)
- Capital expenditures
- Participant support costs
- Patient care charges
- Rental of space
- Scholarships and fellowships
- The portion of a subaward (outgoing subcontract) in excess of \$25,000
- Tuition remission

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<sup>5</sup> See Appendix XXX on page XXX for an official list of buildings considered “on-campus” and “off-campus.”

### **What Does “Less” Mean?**

Some sponsors will state that MTDC is “total direct costs less equipment and subcontractors greater than \$25,000.” In this situation, the term “less” just means “excluded” or “subtracted.”

Any deviation from the university’s established indirect (F&A) rates require a waiver from the Office of Grants and Contracts (OGC), which will be granted in very limited instances.<sup>6</sup>

## **2.4 Consistent Treatment of Costs**

2 CFR 200 does not establish standardized rules for classifying costs to federal awards as either direct costs or indirect (F&A) costs. Most non-federal sponsors also do not have an established policy identify specific items as direct costs or indirect (F&A) costs. However, the university must consistently treat and charge costs as either direct or indirect (F&A) costs.<sup>7</sup>

### **2 CFR 200.412 Classification of Costs**

There is no universal rule for classifying certain costs as either direct or indirect (F&A) under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost incurred for the same purpose be treated consistently in like circumstances either as a direct or an indirect (F&A) cost in order to avoid possible double-charging of Federal awards. Guidelines for determining direct and indirect (F&A) costs charged to Federal awards are provided in this subpart.

### **Example – University Did Not Consistently Treat Costs**

The Department of Health and Human Services audited the University of North Carolina Chapel Hill. The auditors questioned \$3,042 for a laptop computer and printer cartridges charged to an award because the university had not consistently treated those costs as indirect (F&A) costs.

The following table provides common examples of direct and indirect (F&A) costs.

<sup>6</sup> See Appendix J on page 65 for the university’s procedures related to indirect (F&A) costs.

<sup>7</sup> See Appendix D on page 43 for a direct cost / indirect (F&A) cost decision tree.



<b>Examples</b>	<b>Direct Costs</b>	<b>Indirect (F&amp;A) costs</b>
Advertising	Recruitment of research subjects or for job openings approved for a specific project	Public relations to promote the department or university
Consulting	Project-specific consulting	General, management, or financial consulting
Equipment	Project-related equipment	General purpose equipment used for multiple activities, such as microscopes and photocopiers
Facilities	Project specific space rental for off-campus facilities from a third party. Use of specialized equipment for which there is a commonly applied charge	Utilities, building use, grounds maintenance, renovations, and alterations of university property, whether on- or off-campus
Maintenance and Repairs	Project-related equipment	General purpose equipment
Membership, subscriptions, and professional activity	Costs must be related to and supportive of a project	Costs not directly related to a specific project
Publications	Project-specific and related	General printing and copying
Salaries/Wages and Fringe Benefits	Faculty and staff working directly on a project	Clerical and administrative assistants, department administrators, OGC employees
Supplies	Project-related research and scientific supplies	General office supplies, office furniture, custodial supplies, and printers
Telephone	Costs associated with a project-related survey	Cell phones, installation and maintenance
Travel	Transportation, lodging, subsistence, and related items incurred by employees who travel on official business of the institution related to a project	Travel costs not directly related to a project



### **Significance**

Correct and consistent charging of direct costs and indirect (F&A) costs is required under federal regulations and university policy. Incorrect classification prevents the university from recovering costs and may result in audit findings and disallowed costs.

Three questions to ask to determine if a cost can be charged directly to an award are:

- Does the cost provide a direct benefit to the purpose of the project? If yes, then the cost is probably a direct cost.
- Can the cost meet the definition of a direct cost in that the cost can be specifically identified with a project with relative ease and with a high degree of accuracy? If yes, then the cost is probably a direct cost.
- Would the cost exist absent the project? If no, then the cost is probably a direct cost.

## **2.5 Total Award Costs**

As explained at 2 CFR 200.402, the total cost of a federal award is the sum of the allowable direct and allocable indirect (F&A) costs, with the removal of any applicable credits.

**Applicable credits** are receipts that offset or reduce direct or indirect (F&A) costs. Typical examples of such transactions include purchase discounts, rebates, or allowances; recoveries or indemnities on losses, insurance refunds; and adjustments of overpayments or erroneous charges. For example, when purchasing an item and a rebate is provided for that item, the amount of that rebate must be used for other award expenditures.

## **2.6 Exercise – Calculating Indirect (F&A) Costs**

Directions: You have developed the following budget for a proposal Dr. Smith will submit to the NIH. The project is a research project that will take place on campus. Assume all direct costs are allowable. Calculate the indirect (F&A) costs that should be included in the budget proposal.

<b>Budget Category</b>	<b>Year 1</b>
Salaries and Wages	\$184,902.36
Fringe Benefits	\$38,463.18
Equipment	\$19,750.00
Travel	\$4,000.00
Tuition Remission	\$4,500.00
Subaward – Univ. of Texas	\$150,300.00
Publication Costs	\$6,000.00
Supplies	\$47,500.00
<b>Total Direct Costs</b>	
<b>Indirect (F&amp;A) Costs</b>	
<b>Total Federal Award Amount</b>	

<b>Indirect (F&amp;A) Costs Calculation</b>	<b>Year 1</b>
Indirect (F&A) Costs Rate	
Indirect (F&A) Costs Base	
<b>Indirect (F&amp;A) Costs</b>	

### **3. General Principles for Costs**

All direct costs charged to sponsored projects must be:

- Allowable
- Reasonable
- Allocable

2 CFR 200 establishes the requirements for cost for federal awards. The fundamental principles are relevant to non-federal awards, as most sponsors have incorporated the standards into their requirements.

#### **3.1 Allowability**

**Allowability** determines if a cost can be charged to an award. When developing a proposal budget, or administering awards, it is essential that all costs charged to an award are allowable. For a cost to be allowable to a federal award, the cost must meet all the criteria listed in 2 CFR 200.403.

#### **2 CFR 200.403 Factors Affecting Allowability of Costs**

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- (d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect (F&A) cost.
- (e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- (f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. See also §200.306 Cost sharing or matching paragraph (b).
- (g) Be adequately documented. See also §§200.300 Statutory and national policy requirements through 200.309 Period of performance of this part.

2 CFR 200.403 identifies multiple criteria for a cost to be allowable on a federally sponsored project. For a cost to be allowable, the cost must:

- Be necessary for the project
- Adhere to the cost principles under 2 CFR 200
- Adhere to university policy
- Be consistently treated as either a direct cost or an indirect (F&A) cost
- Not be used to cost share requirements on another federal award
- Be adequately documented

2 CFR 200 contains a list of selected items of cost that identifies the allowability of common costs associated with sponsored projects.<sup>8</sup> The selected items of cost are found at 2 CFR 200.421 through 2 CFR 200.475 and the items are listed in alphabetical order. You should refer to the selected items of cost when developing a proposal budget and when administering a sponsored award. The selected items of cost explains if the cost is allowable, unallowable, or conditionally allowable. Omission of a particular item does not indicate that the item is unallowable. Allowability of items of cost which are not listed in 2 CFR 200 should be determined according to the treatment of similar cost items.

#### **Example – OIG Questions \$81**

The NSF conducted an audit of the University of New Mexico. The audit report stated:

We question \$81 for a bar set-up fee. Although the alcohol was paid for by participants at the cash bar, and not charged to the NSF award, the bartender set-up fee would not have been necessary if alcohol had not been made available at the event.

Costs of alcoholic beverages are unallowable; therefore, it is not reasonable to charge the fee related to serving the alcohol. [The university] agreed that this charge was unallowable and will return the funds to NSF.

In addition to the criteria identified under 2 CFR 200.403, a cost to a sponsored project must occur during the period of performance and specific budget periods, if applicable.

Costs incurred on a sponsored project before the effective date of the award are known as **pre-award costs**. Federal research awards generally allow for the university to incur pre-award costs up to 90 days before the start of the project. Costs incurred outside the 90 day period are generally unallowable. For non-federal awards, the award terms and conditions should identify if pre-award costs are allowable. The PI and their department are responsible for any incurred pre-award cost that is not provided for by a sponsor.

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<sup>8</sup> See Appendix G starting on page 47 for the allowability of selected items of cost for federal awards.

Cost incurred on a sponsored project after the period of performance are not allowable unless there is a **no-cost extension**. The award terms and conditions will identify if sponsor approval is required for a no-cost extension.

### **3.2 Reasonable**

2 CFR 200.404 describes **reasonable** as a cost that “does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.” When determining if a cost is reasonable, you should apply the “prudent person rule.” There are two questions you should ask when applying the prudent person rule:

1. Would someone outside my organization, such as the media or an auditor, think this cost was a reasonable use of federal funds?
2. Would the PI have used their own funds for this cost?

If the answer is no to either question, then the cost is probably not reasonable.

#### **2 CFR 200.404 Reasonable Costs**

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally-funded. In determining reasonableness of a given cost, consideration must be given to:

- (a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.
- (b) The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the Federal award.
- (c) Market prices for comparable goods or services for the geographic area.
- (d) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal Government.

### **3.3 Allocable**

Allocation is the process of assigning a cost, or a group of costs, to one or more awards. A cost is **allocable** if the goods or services are charged to an award in proportion to the relative benefits received. When a cost benefits multiple projects, research administrators need to charge awards in proportion of the benefit.

Costs should not be charged based on availability of funds. The availability of funds to pay an expense, or its inclusion in a budget, is not evidence of the allocability of that expense. For example, when a PI wants to charge an expense to a project, research administrators should assist the PI in determining whether it will be used on only one project or on multiple projects, and then charge accordingly. If the expense is used on more than one project, you need to determine what proportion of the expense benefits each project and charge accordingly.

#### **Example – Allocating Costs to Multiple Funding Sources**

A research assistant earned \$3,100 in April from working on both federally funded and non-federally funded activities. Based on the research assistant's electronic Personnel Effort Report (ePer), her salary is charged in the following manner:

<b>Project</b>	<b>Payroll Distribution %</b>	<b>Payroll Distribution Amount</b>
Project A	49%	\$1,519.00
Project B	23%	\$713.00
Other Institutional Support	28%	\$868.00
<b>Total Employee</b>	<b>100%</b>	<b>\$3,100.00</b>

There are two important items to note in this scenario:

- The research assistant's effort report reflects 100% of her total compensation
- The salary charges are based on after-the-fact reporting of her actual effort



#### **Significance**

If a cost is allowable, it does not mean the cost is reasonable or allocable to an award. A cost must be allowable, allocable, and reasonable. Any cost that does not meet all three criteria may not be budgeted, charged, or reported to a sponsor.

### Example – University Misallocated Equipment Costs

The NSF audited the University of Wisconsin at Madison. Auditors reviewed an equipment purchase that was charged to multiple awards. Auditors determined that the costs were not allocated on a reasonable basis according to the benefits acquired and the university personnel did not maintain adequate documentation to justify the methodology used to allocate the expenses to NSF-funded awards.

The university purchased an Autonomous Underwater Vehicle (AUV) for \$71,015. Of that amount, \$48,301, 68% of the total cost, was allocated to a NSF award that was set to expire in 16 days from the date of purchase. An additional 31% of the AUV was allocated to another NSF award, and the remaining 1% was allocated to the university's general fund.

The audit report stated:

As the methodology used to allocate the AUV expenses were unreasonable, did not represent an equitable disbursement of the costs based on the benefits that each funding source would receive, and was not supported by adequate documentation, we were not able to verify the appropriate percentage of the costs that should have been allocated to NSF. We are therefore questioning all expenses related to the purchase of the AUV.

### Allocation Methods

There are two methods to allocate costs:

- **Proportional Benefit Rule.** When it is possible to determine the exact benefit of the cost to each funding source. The cost is allocated according to the determined proportion of benefit provided.
  - Example: A lab uses 3 gallons of solution on Award A and 9 gallons of solution on Award B. 12 gallons of solution are purchased 25% (3/12) is charged to Award A and 75% (9/12) is charged to Award B.
- **Interrelationship Rule.** When a count cannot be determined because of administrative burden, look at the time and effort of the employee and the number of activities for each
  - Example: A lab purchases syringes for use on experiments for two Awards. As it is impossible to tell in advance exactly how many syringes will be used for each Award, and it would not be cost-effective to track the use of each syringe, the lab allocates the cost of the syringes based on the amount of effort the lab tech (who uses the syringes) expends on each Award. If the lab tech allocates his time on a 70/30 allocation between Award A and B, the cost of syringes is allocated using a 70/30 allocation.

An allocation method must be documented, explained, and used consistently. Review and update the allocation plan as necessary.



### **3.4 Exercise – Allowable, Reasonable, and Allocable?**

Directions: Read the following scenarios and determine if the cost could be charged to the sponsor.

#### **Scenario 1**

Dr. Smith decided she needed a specialized microscope to better conduct research under her NIH award. She obtained price quotes for various models that were all within the same general price range. She purchased a microscope that was \$3,500 more than the others because she could use it on other research projects as well.

#### **Scenario 2**

When Dr. Smith's microscope finally arrived, she found that the equipment funds for her NIH grant were fully expended. She decided to charge the cost of the microscope to a non-federal award that funded similar research.

#### **Scenario 3**

Three weeks before the end of the NIH grant, a lab employee dropped the microscope, rendering it inoperable. Dr. Smith ordered a replacement microscope and charged the cost to the NIH grant.

### **3.5 Questioned and Disallowed Costs**

Auditors review the university's policies, practices, and procedures and may identify costs that, in their professional judgement, should not be charged to an award. These costs are known as **questioned costs** and result from:

- A violation or possible violation of a statute, regulation, or the terms and conditions of an award
- Lack of adequate documentation
- The cost appearing to be unreasonable
- The cost having no relevance to the project

After an auditor has identified questioned costs, the sponsor will work with the university to determine a resolution. The sponsor may disallow the questioned costs. A **disallowed cost** is a charge that a sponsoring entity has determined to be unallowable, which results in the university absorbing the costs.

The university's Direct Charges to Federally Sponsored Projects identifies unallowable direct charging practices. Failure to comply with the university's policies may result in an auditor questioning a cost.<sup>9</sup> The university policy prohibits:

- Rotation of charges among sponsored projects by month without establishing that the rotation schedule credibly reflects the relative benefit to each grant
- Assigning charges to the sponsored project with the largest remaining balance or other basis outside of the benefit to the project
- Charging the budgeted amount in contrast to charging an amount based on actual usage
- Assigning charges to sponsored projects in advance of the time the cost is incurred
- Assigning charges to sponsored projects that were incurred outside of the project period, including a pre-award period if applicable
- Identifying a cost as something other than what it actually is
- Charging expenses exclusively to sponsored projects when the expense has supported non-sponsored project activities
- Assigning charges that are part of the normal administrative support for contracts and grants (e.g., proposal preparation, accounting, payroll)
- Charging costs to a sponsored project simply to expend funds before the project end date
- Shifting costs to other sponsored projects due to cost overruns, avoidance of restrictions imposed by law, or for convenience. Convenience would include charging a direct cost to a project on a temporary basis, pending the set-up of a new project account number

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<sup>9</sup> This list is reproduced as a job aid in Appendix C starting on page 41.

- Charging administrative costs directly to sponsored projects because the administrative unit requires the PIs to fund these costs (i.e. telephone, office supplies)

#### **Example – Auditors Question Costs for University**

The National Science Foundation (NSF) conducted an audit of the University of Arizona and questioned the following costs:

- **Unallowable Pre-Award Cost.** The university charged \$859, including \$292 in indirect (F&A) costs, to an award. The costs were incurred in January, however, the project did not begin until May. Since the costs were made prior to the NSF's 90-day pre-award period, the auditors determined the charge was unallowable.
- **Unallowable Cost Charged.** The university charged \$550 for gym access fees to a NSF grant. The auditor report stated, "It is not clear how the expenditure would have benefited the federal award or that it was ordinary and necessary for the operation of the award."

Auditors and sponsors frequently scrutinize meal costs. The cost of meals must be reasonable, necessary for the project, and conform to university policy. The primary purpose of the meal must be considered when charging a sponsored award. The cost of meals at recurring department, lab, or project meetings would not be an allowable charge to a sponsored project.

#### **Example – University of Florida Repays NSF \$7,160 for Unallowable Meal Charges**

The NSF conducted an audit of the University of Florida (UF). Auditors questioned over \$7,000 of meals costs charged to multiple awards, which included:

- \$207 charged for a meal at a restaurant for students, which was not necessary for the administration of the award
- \$1,400 charged to the NSF for meals related to lunch receptions and field trips, despite the project proposal stating that the university would absorb the costs of the food
- \$4,575 in meals expenditures to host a two-day conference. The auditors determined \$3,829, or \$239 per attendee) was spent to provide breakfast, lunch, and breaks during the two day conference. Additionally, the auditors found that \$746, or \$47 per person, was spent on dinner for the attendees when the conference agenda specifically stated that per diem would be provided for dinner. The university's reimbursement rate for dinner is \$19 per person. Then auditors determined these charges were excessive and unreasonable.

The NSF sustained the auditors' findings and disallowed the costs.

## **NIH and NSF Guidance on Meals**

The NIH Grants Policy Statement provides the following guidance on charging meal costs:

Allowable for 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.

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 for such meals only when consistent with terms of award.

The cost of meals served at a meeting or conference, for which the primary purpose is the dissemination of technical information, is no longer allowable on NIH grants where the primary purpose of the grant is to support a conference or meeting (see also [Support of Scientific Meetings \(Conference Grants\) Section 14.10.1](#)). However, when such a meeting/conference is an ancillary effort under a grant where the primary purpose is other than to support such a meeting/conference, then the cost of meals would be allowable. When allowable as a direct charge, the cost of any meal must meet a test of reasonableness. However, recurring business meetings, such as staff meetings, should not be broadly considered as meetings for the primary purpose of disseminating technical information in order to justify charging meals or refreshment to costs to grants.

The NSF Proposal & Award Policies and & Procedures Guide states:

No funds may be requested for meals or coffee breaks for intramural meetings of an organization or any of its components, including, but not limited to, laboratories, departments and centers. (See 2 CFR § 200.432, for additional information on the charging of certain types of costs generally associated with conferences supported by NSF.) Meal expenses of grantee employees who are not on travel status are unallowable. See also 2 CFR § 200.438.

### **3.6 Exercise – Reviewing Questioned Costs**

Directions: Each of the following scenarios contain questioned costs from an audit report. For each scenario, determine why the auditor questioned the costs.

1. A PI purchased cell phones for \$2,466 in the last month of a four year award. The university justified the costs by stating that the cell phones were needed for the final Testing Phase in their follow-up response.

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2. A PI traveled to San Francisco for a conference related to research on a NSF award. The PI brought her husband and personally paid for the costs associated with his travel. The PI charged \$1,200 to the award for a rental car. When an auditor questioned the rental car cost, the PI provided her bank statement to show the charge.

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3. A research administrator charged \$29,969 to a NIH award for an equipment purchase. The requisition and purchase order for the equipment identified the award as the funding source for 55% of the total equipment cost. In response to an auditor's question, the university stated that the equipment cost was split between two awards based on the PI's expected usage of the equipment, and that the NIH award was expected to benefit from the data to a greater extent than the other project. The PI decided a 55% to 45% split would be the most appropriate allocation.

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4. A university charged \$3,067 to an award for a PI's desktop computer. The auditor found that a significant portion of the PI's time was charged to non-federally sponsored projects during the period after this purchase.

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5. An auditor questioned a university's charge of a laser system to an NSF grant, which was not in the approved budget. The university stated that the new laser system would replace an outdated system. The purchase of the equipment totaled more than one-third of the entire project budget.

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6. A PI works on two federal awards. He requests that \$12,018 in personnel costs be transferred from one award to another for the July, August, and September pay periods. An auditor reviewed the cost transfer and determined that the original award only had a \$10,030 remaining balance when the transfer was requested.
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7. A university charged the following costs as direct costs.
- \$193 for a swivel chair. The university responded that the approved budget included miscellaneous office supplies.
  - \$47 for two letter trays. The university responded that the project required “separate files for patient and site information in accordance with the scope of work.”
  - The salaries of a staff assistant to coordinate travel and submit travel reimbursements.
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8. A university charged \$400 for lab supplies to an award, but could not provide a receipt or any other documentation supporting the charge.
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9. A PI charged \$3,873 for business-class airfare for a round trip ticket from Michigan to Switzerland to attend a grant-related conference.
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10. A university purchased laboratory supplies, such as gloves and glassware, in bulk. The university charged each grant in the department an equal monthly fee for the supplies.
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## **4. Applying the Cost Principles**

### **4.1 Roles and Responsibilities for the Cost Principles**

Adhering to and correctly applying the cost principles is an essential responsibility for all individuals involved with sponsored projects at the university. The cost principles affect all aspects of the award life cycle. The following list details the roles and responsibilities for the cost principles at the university.

- **Principal investigator.** The principal investigator (PI) must develop a proposal and budget that only includes allowable costs and that conforms to the sponsor's requirements. During the administration of a sponsored project, the PI can only charge allowable costs to an award.
- **Administrative unit.** Research administrators are responsible for developing a proposal in accordance to sponsor requirements. In the post-award phase, research administrators must review charges to an award and remove unallowable charges. Research administrators are also responsible for applying the university's indirect (F&A) cost rate appropriately.
- **Office of Grants and Contracts.** The Office of Grants and Contracts (OGC) is responsible for reviewing a proposal before submission to the sponsor. During the review, OGC will review the budget and scope of work to verify that the proposal adheres to costing policies and requirements. During the post-award phase, OGC reviews sponsor project billing and indirect (F&A) cost rate application. OGC also reviews all indirect (F&A) cost waivers submitted by administrative units.

### **4.2 Budget Development**

The cost principles serve an important function in the development of sponsored project budget proposals.<sup>10</sup> Every cost in a budget should be scrutinized to determine whether the proposed cost is allowable, allocable, and reasonable. Any cost that cannot meet the three criteria must be removed from the budget.

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<sup>10</sup> Budget development is discussed at length in the Pre-Award Administration for Sponsored Projects course.

### **NIH Budget Development Guidance**

The NIH provides the following budget development guidance:

- Know your limits! Carefully read the Funding Opportunity Announcement (FOA) for budget criteria. You should look for limits on:
  - The types of expenses, such as no construction funding allowed
  - Spending caps on certain expenses, for example the travel budget being limited to \$10,000
  - Overall funding limits, for example total costs cannot exceed \$300,000 in direct costs per year
- Identify all the costs that are necessary and reasonable to complete the work described in the proposal
- Throughout the budgeting process, round to whole dollars and use only U.S. dollars.
- The best strategy is to request a reasonable amount of money to do the work, because:
  - Reviewers look for reasonable costs and will judge whether the request is justified by the proposal's aims and methods
  - Reviewers will consider the person months listed for each of the key personnel and will evaluate whether the figures are in sync with reviewer expectations, based on the research proposed
  - Significant over- or under-estimating suggests a lack of understanding of the proposed scope of work.

A proposed budget must also adhere to any sponsor-specific requirements. For example, statutory or regulatory requirements may impose agency- or program-specific requirements that take precedence over 2 CFR 200. When developing or reviewing a proposal budget, it is critical for research administrators review the funding announcement and identify any funding restrictions.

When federal awards are subject to requirements that limit the allowability of costs, the amount exceeding the limit may not be charged to another award. For example, Congress limits the amount of institutional base salary that can be used to calculate the costs of effort on a grant. PIs with a salary that exceeds the cap cannot charge the remainder of their salary from their effort on that award to any other award.



### **NIH Salary Cap**

Since 1990, Congress has legislatively mandated a limitation on direct salary for individuals under NIH grant and cooperative agreements. The mandate appears in the annual appropriation act funding NIH. The salary cap is generally adjusted each year. Effective January 7, 2018, the salary cap is \$189,600.

### **4.3 Spending Decisions**

In the post-award phase, PIs and research administrators make daily spending decisions that may require judgement calls regarding allowability under the cost principles. There is frequently a gray area in cost policy, and sponsor guidance may not provide a clear answer on allowable costs.



#### **Resource**

The NIH Grants Policy Statement includes a section that identifies and explains all legislative mandates imposing funding restriction NIH awards. It is important to review the restrictions to ensure a proposed project does not include restricted activities.

The NIH Grants Policy Statement's section on Appropriations Mandates is located at:

[https://grants.nih.gov/grants/policy/nihgps/html5/section\\_4/4.2\\_appropriation\\_mandates.htm](https://grants.nih.gov/grants/policy/nihgps/html5/section_4/4.2_appropriation_mandates.htm)

The following list provides guidance on how to address complex or difficult spending decisions.

- Review the award terms and conditions to identify any sponsor- or award-specific restrictions
- Review the selected items of cost under 2 CFR 200. If 2 CFR 200 does not address the cost, review the provisions for similar items
- Know and follow university policy
- Read the sponsor's website and guidance documents
- Contact the sponsor
- Contact OGC
- Research audit reports to identify justifications and auditor decisions



### Resource

The federal Council of the Inspectors General on Integrity and Efficiency (CIGIE) maintains a publicly available, searchable database of all inspectors general audits at [Oversight.gov](https://www.oversight.gov). You can use the keyword search feature to find audit reports that address a specific concern.

Upon making a cost determination, it is important that the decision be adequately documented. Documenting the rationale for a cost, with sufficient justification, improves the university's standing if an auditor or sponsor questions a cost. 2 CFR 200.403(g) requires all costs to be "adequately documented." Auditors must be able to determine what charges were made to an award and why those charges were made using available documentation. Award files should contain copies of all receipts for expenses that were charged to the award. The university's Retention of University Records policy establishes the record retention period for sponsored award documents.

PIs and research administrators should review grant activity on a monthly basis to verify that expenses are allocated correctly and are allowable under the award. If cost transfers are necessary, administrative units should submit the request as quickly as possible and a detailed explanation on why the cost transfer is necessary.

Ask the following questions when determining whether a cost can be charged to a sponsored project:

- Is this item or service necessary for the project?
- Was the item or service included in the approved budget?
- Does the item exist elsewhere in our inventory? If so, can we use it for the project instead of buying another?
- Is there a less expensive alternative to purchasing the item, such as leasing?

It is important to know what items and costs were included in the approved project budget. An award agreement provides sponsor approval for the project's budget and scope of work. Problems may occur when deviations are made to the approved budget. In some instances, sponsor approval may be required before the university may undertake certain activities or incur specific costs.

2 CFR 200.407 provides a list of changes in a project's scope or budget that may require federal agency **prior approval**.<sup>11</sup> For federal research awards, most federal agencies have waived certain prior approval requirements. The award terms and conditions will provide information on what prior approvals are required.

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<sup>11</sup> See Appendix H on page 52 for prior approval requirements for federal research awards.

### **NIH Cost-Related Prior Approvals**

The NIH Grants Policy Statement provides the following information regarding cost-related prior approvals:

NIH prior approval is not required to rebudget funds for any direct cost item that the applicable cost principles identify as requiring the Federal awarding agency's prior approval, unless the incurrence of costs is associated with or is considered to be a change in scope.

### **4.4 Cost Share and Matching Requirements**

Some sponsors may require the university to provide a portion of project costs. This requirement is known as **cost sharing** or **cost matching**.<sup>12</sup> For most sponsors, these terms are interchangeable; however, some sponsors, such as the U.S. Department of Energy, differentiate between the two terms.

The university may meet cost sharing or matching requirements through:

- **Cash contributions**, by contributing nonfederal funds
- **In-kind contributions**, by applying the value of non-federal third-party non-cash contributions made directly to the project
- **Program income**, by applying program income generated through grant activities as provided for by the award terms and conditions
- **Unrecovered indirect (F&A) costs**, by applying the difference between the indirect (F&A) cost amount charged to the award and the indirect (F&A) cost amount which could have been charged to the award

The cost principles apply to cost sharing and matching requirements. Any cost used as cost share must be allowable, allocable, and reasonable. Additionally, the costs must be necessary for the project, cannot be included as contributions on other sponsored awards, and are not provided for by other sponsored awards.

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<sup>12</sup> Cost sharing is discussed further in the Pre-Award Administration for Sponsored Projects course and the Post-Award Administration for Sponsored Projects course.

## **APPENDIX A – Acronyms**

<b>Acronym</b>	<b>Term</b>
AA	Animal Assurance
AAALAC	American Association of Animal Laboratory Accreditation Council
ACM\$	Award Cash Management Service
ADA	Americans with Disabilities Act of 1990
AOR	Authorized Organization Representative
BAA	Broad Agency Announcement
CAS	Cost Accounting Standards
CDER	Common Data Element Repository
CFDA	Catalog of Federal Domestic Assistance (now known as the Assistance Listings)
CFR	Code of Federal Regulations
CO	Contracting Officer
COGR	Council on Government Relations
COI	Conflict of Interest
COMBIR	Colorado Multiple Institutional Review Board
Co-PI	Co-Principal Investigator
CRADA	Cooperative Research and Development Agreement
DARPA	Defense Advanced Research Projects Agency
DOD	Department of Defense
DUNS	Data Universal Numbering System
ED	U.S. Department of Education
EIN	Entity Identification Number
EPA	Environmental Protection Agency
F&A	Facilities and Administration
FAIN	Federal Award Identification Number
FAPIS	Federal Awardee Performance and Integrity Information System
FAR	Federal Acquisition Regulation
FDP	Federal Demonstration Partnership
FFATA	Federal Funding Accountability and Transparency Act
FFR	Federal Financial Report
FOIA	Freedom of Information Act
FR	Federal Register
FTE	Full-time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office
GMO	Grants Management Office
GPRA	Government Performance and Results Act
HBCU	Historically Black Colleges and Universities
HHS	U.S. Department of Health and Human Services
HIPAA	Health Insurance Portability and Accountability Act

HRSA	Health Resources and Services Administration
HUD	U.S. Department of Housing and Urban Development
IACUC	Institutional Animal Care and Use Committee
IBS	Institutional Base Salary
IHE	Institute of Higher Education
IP	Intellectual Property
IPA	Intergovernmental Personnel Act
IRB	Institutional Review Board
ITAR	Institutional Traffic in Arms Regulations
JIT	Just-in-Time
LOI	Letter of Intent
MOU	Memorandum of Understanding
MTA	Material Transfer Agreement
MTDC	Modified Total Direct Costs
NGA	Notice of Grant Award
NHGRI	National Human Genome Research Institute
NHLBI	National Heart, Lung, and Blood Institute
NIA	National Institute on Aging
NIAAA	National Institute on Alcohol Abuse and Alcoholism
NIAID	National Institute of Allergy and Infectious Diseases
NIAMS	National Institute of Arthritis and Musculoskeletal and Skin Diseases
NIBIB	National Institute of Biomedical Imaging and Bioengineering
NICHD	Eunice Kennedy Shriver National Institute of Child Health and Human Development
NICRA	Negotiated Indirect (F&A) cost Rate Agreement
NIDA	National Institute on Drug Abuse
NIDCD	National Institute on Deafness and Other Communication Disorders
NIDCR	National Institute of Dental and Craniofacial Research
NIDDK	National Institute of Diabetes and Digestive and Kidney Diseases
NIEHS	National Institute of Environmental Health Sciences
NIGMS	National Institute of General Medical Sciences
NIH	National Institutes of Health
NIHGPS	National Institutes of Health Grants Policy Statement
NIMH	National Institute of Mental Health
NIMHD	National Institute on Minority Health and Health Disparities
NINDS	National Institute on Neurological Disorders and Stroke
NINR	National Institute of Nursing Research
NIST	National Institutes of Standards and Technology
NOAA	National Oceanic and Atmospheric Administration
NOFA	Notice of Funding Availability
NOFO	Notice of Funding Opportunity
NPS	National Park Service
NSF	National Science Foundation

OGC	Office of Grants and Contracts
OIG	Office of Inspector General
OMB	Office of Management and Budget
ONR	Office of Naval Research
ORDE	Office of Research Development Education
PA	Program Announcement
PAPPG	Proposal & Award Policies & Procedures Guide (NSF)
PHI	Protected Health Information
PHS	Public Health Service
PI	Principal Investigator
PII	Personally Identifiable Information
PMS	Payment Management System
PO	Program Official / Officer
PTE	Pass-through Entity
R&D	Research and Development
R&R	Research and Related
RFA	Request for Applications
RFP	Request for Proposal
RPPR	Research Performance Progress Report
RTC	Research Terms and Conditions
S&W	Salaries and Wages
S2S	System to System
SAM	System for Award Management
SAMHSA	Substance Abuse and Mental Health Administration
SBIR	Small Business Innovation Research
SF-424	Standard Form 424
SF-424 (R&R)	Standard Form 424 (Research and Related)
SNAP	Streamline Non-Competing Application Process
SO	Signing Official
SOW	Statement of Work
SRO	Scientific Review Officer
STTR	Small Business Technology Transfer Program
TDC	Total Direct Costs
U.S.C.	United States Code
USDA	U.S. Department of Agriculture
VA	U.S. Department of Veterans Affairs

## **APPENDIX B – Glossary**

### **2 CFR 200 (Uniform Guidance)**

The requirements for administering federal awards and officially known as the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

#### **Allocable Cost**

A cost that can assigned to a particular cost objective in accordance with the relative benefits received.

#### **Allowability**

Determination if a cost can be charged to an award.

#### **Allowable Cost**

A cost that may be charged to an award.

#### **Applicable Credits**

The receipts that offset or reduce direct or indirect (F&A) costs. Typical examples of such transactions include purchase discounts, rebates, or allowances; recoveries or indemnities on losses; insurance refunds; and, adjustments of overpayments or erroneous charges.

#### **Cost Principles**

The standards for the allowability and allocability principles for selected items of cost.

#### **Cost Sharing or Matching**

The portion of an award borne by the recipient.

#### **Direct Costs**

Costs that can be identified with a particular sponsored project or projects, or that can be directly assigned to a project with relative ease and a high degree of accuracy.

#### **Disallowed Cost**

Charges a sponsor has determined to be unallowable to an award.

#### **Indirect (F&A) Costs**

Costs that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project, but are nevertheless necessary to the operations of the organization.

**Indirect (F&A) Cost Rate**

The rate negotiated between a non-federal entity and the federal government that is used as the basis for reimbursing indirect (F&A) costs.

**Modified Total Direct Costs (MTDC)**

A cost base that includes all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (outgoing subcontract).

**Negotiated Indirect (F&A) cost Rate Agreement (NICRA)**

The documentation that formalizes the establishment of indirect (F&A) cost rates and provides information on the proper application of the rates.

**OMB Circular A-21**

Previous cost principals for federal awards, which was superseded by 2 CFR 200.

**Order of Precedence**

The hierarchy to determine which requirements take priority and should be followed.

**Pre-Award Costs**

Costs incurred on a sponsored award prior to the beginning date of the project period or the initial budget period of a multi-year award, in anticipation of the award and at the applicant's own risk. All pre-award costs must adhere to the sponsor's requirements.

**Questioned Cost**

A cost that an auditor believes should not be allowed because of an audit finding related to a violation of statute, regulation, or the terms and conditions of an award; not supported by adequate documentation; and/or the costs are unreasonable.

**Reasonable Cost**

A cost that does not exceed that which would be incurred by a prudent person, by its nature or amount, under the circumstances prevailing at the time the decision was made to incur the cost.

**Total Direct Costs (TDC)**

The sum of all direct costs.



## **APPENDIX C – Guidelines for Charging Costs to Sponsored Projects**

### **Allowable, Allocable, and Reasonable Costs**

#### **Is the charge allowable?**

- Does the cost conform to:
  - The terms and conditions of the award?
  - 2 CFR 200 selected items of cost?
  - Sponsor prior approval requirements?
  - University policies?
- Is the charge consistently treated as a direct cost or indirect (F&A) cost?
- Is the expense clearly documented?

#### **Is the charge allocable to the project?**

- Is the cost incurred specifically for the project?
- Is the cost allocated on a consistent basis?
- Is the method of allocating the cost between projects sound?
- Was the cost incurred during the applicable budget or project period?

#### **Is the charge reasonable?**

- Is the cost necessary for the performance of the project?
- Were university policies followed when incurring the cost?
- Would the cost withstand external review by a prudent individual?

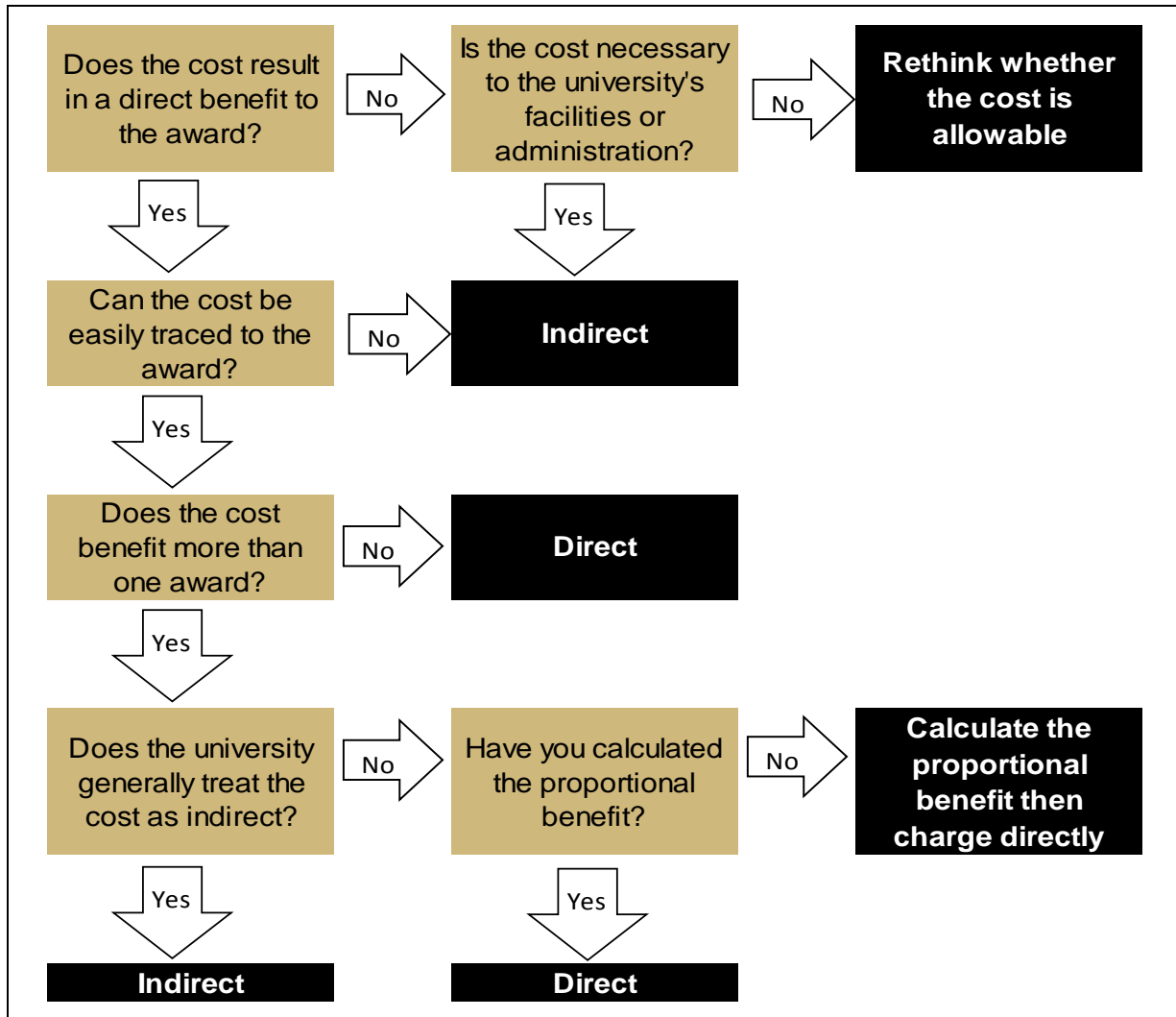
**If the answer is NO to any of the questions above, do not charge the cost to the award.**

### **Examples of direct-charging practices that are not acceptable for sponsored awards**

- Rotation of charges among sponsored projects by month without establishing that the rotation schedule credibly reflects the relative benefit to each grant.
- Assigning charges to the sponsored project with the largest remaining balance or other basis outside of the benefit to the project.
- Charging the budget amount in contrast to charging an amount based on actual usage.
- Assigning charges to sponsored projects in advance of the time the cost is incurred.
- Assigning charges to sponsored projects that were incurred outside of the project period, including a pre-award period if applicable.
- Identifying a cost as something other than what it actually is.
- Charging expenses exclusively to sponsored projects when the expense has supported non-sponsored project activities.
- Assigning charges that are part of the normal administrative support for contracts and grants

- Charging costs to a sponsored project simply to expend funds before the project end date
- Shifting costs to other sponsored projects due to cost overruns, avoidance of restrictions imposed by law, or for convenience. Convenience would include charging a direct cost to a project on a temporary basis, pending the set-up of a new project account number.
- Charging administrative costs directly to sponsored projects because the administrative unit requires the PIs to fund these costs (i.e. telephone, office supplies).

## **APPENDIX D – Direct Cost or Indirect (F&A) Cost**



## **APPENDIX E – Indirect (F&A) Cost Rate Graphic**

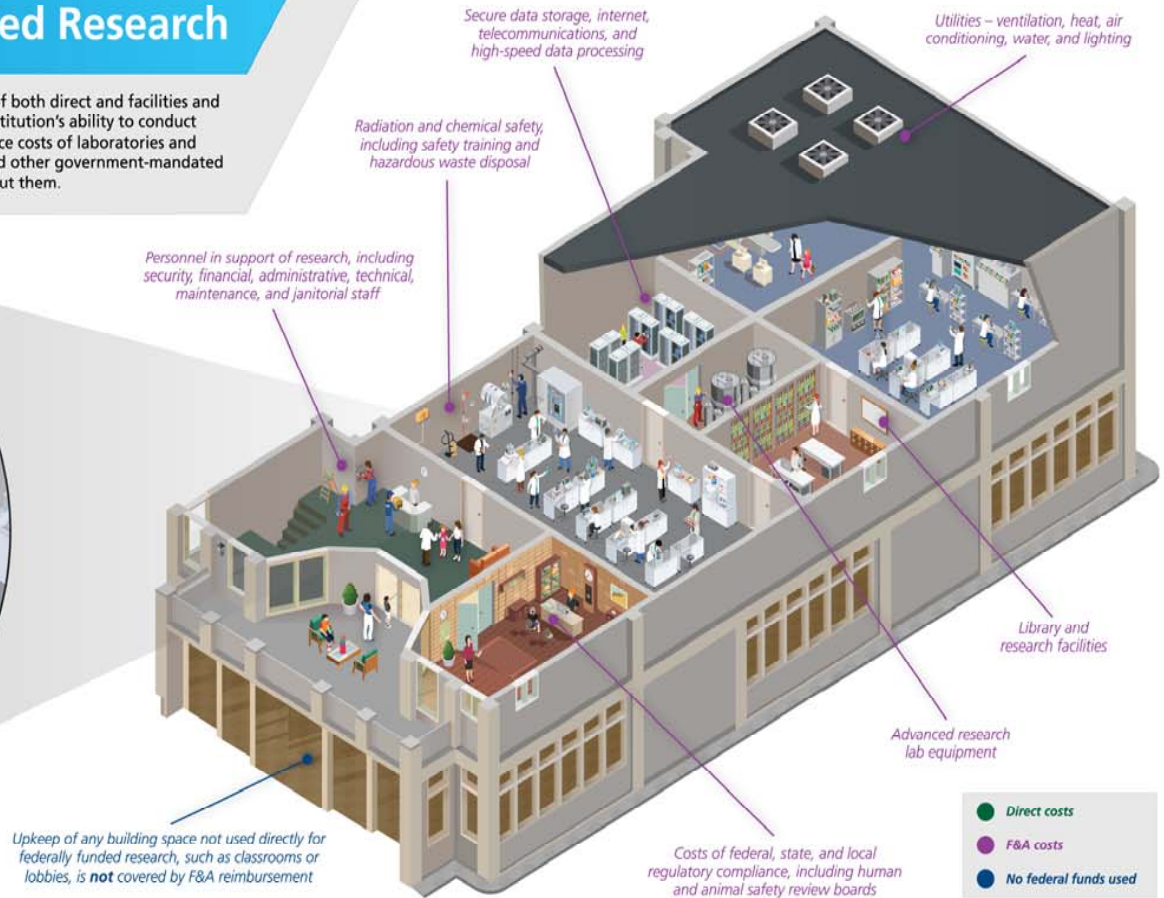
The graphic on the following page explains the difference between direct costs and indirect (F&A) costs and how indirect (F&A) cost recovery supports research conducted at a university. A copy of the graphic can be accessed from the Association of American Universities at: <https://www.aau.edu/key-issues/costs-research-infographic>.

# Costs of Federally Sponsored Research

The total cost of federally sponsored research includes a combination of both direct and facilities and administrative (F&A) costs. Both types of expenditures are key to an institution's ability to conduct cutting-edge research. F&A consists of the construction and maintenance costs of laboratories and high-tech facilities; energy and utility expenses; and safety, security, and other government-mandated expenses. These costs are real and research cannot be conducted without them.



**Direct costs** - These expenses solely cover research and include lab supplies and equipment; salaries and stipends for researchers and graduate students; and travel costs for conducting and sharing research



## **APPENDIX F – Agency Implementation of 2 CFR 200**

<b>Federal Agency</b>	<b>2 CFR 200 Implementation</b>	<b>Exceptions to 2 CFR 200</b>
Agency for International Development	2 CFR 700	Yes
Corporation for National and Community Service	2 CFR 2205	Yes
Department of Agriculture	2 CFR 400	Yes
Department of Commerce	2 CFR 1327.101	
Department of Defense	2 CFR 1103 – Interim Regulation	Yes
Department of Education	2 CFR 3474	Yes
Department of Energy	2 CFR 900	Yes
Department of Health and Human Services	45 CFR 75	Yes
Department of Housing and Urban Development	2 CFR 2400	
Department of Homeland Security	2 CFR 3002	
Department of Interior	2 CFR 1402	Yes
Department of Justice	2 CFR 2800	Yes
Department of Labor	2 CFR 2900	Yes
Department of State	2 CFR 600	Yes
Department of Transportation	2 CFR 1201	Yes
Department of Veterans Affairs	2 CFR 802	
Environmental Protection Agency	2 CFR 1500	Yes
Institute of Museum and Library Services	2 CFR 3187	Yes
National Aeronautics and Space Administration	2 CFR 1800	Yes
National Archives and Records Administration	2 CFR 2600	
National Endowment for the Arts	2 CFR 3255	
National Endowment for the Humanities	2 CFR 3374	
National Science Foundation	2 CFR 2500	Implementing guidance in the <i>NSF Proposal &amp; Award Policies &amp; Procedures Guide</i> .

## **APPENDIX G – 2 CFR 200 Selected Items of Cost**

This appendix contains a table that identifies each selected item of cost in 2 CFR 200, the allowability of the cost, and prior approval requirements for non-research federal awards.

## **APPENDIX G – Selected Items of Cost**

<b>Selected Item of Cost</b>	<b>Uniform Guidance Reference</b>	<b>Allowability for Universities</b>	<b>Prior Approval Requirement for Non-Research Awards</b>
Advertising and public relations	§200.421	Allowable with restrictions	
Advisory councils	§200.422	Allowable with restrictions	
Alcoholic beverages	§200.423	Unallowable	
Alumni/ae activities	§200.424	Unallowable	
Audit services	§200.425	Allowable with restrictions	
Bad debts	§200.426	Unallowable	
Bonding costs	§200.427	Allowable with restrictions	
Collections of improper payments	§200.428	Allowable	
Commencement and convocation costs	§200.429	Unallowable with exceptions	
Compensation—personal services	§200.430	Allowable with restrictions Special conditions apply, see §200.430(h)	Provisions requiring prior approval: •§200.430(h)(1)(ii) •§200.430(h)(2) •§200.430(h)(3)
Compensation—fringe benefits	§200.431	Allowable with restrictions Special conditions apply	Provisions requiring prior approval: •§200.431(i)(4) •§200.431(i)(5)
Conferences	§200.432	Allowable with restrictions	
Contingency provisions	§200.433	Unallowable with exceptions	
Contributions and donations	§200.434	Unallowable; not reimbursable but value may be used as cost sharing or matching	
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	§200.435	Allowable with restrictions	
Depreciation	§200.436	Allowable with qualifications	
Employee health and welfare costs	§200.437	Allowable with restrictions	



<b>Selected Item of Cost</b>	<b>Uniform Guidance Reference</b>	<b>Allowability for Universities</b>	<b>Prior Approval Requirement for Non-Research Awards</b>
Entertainment costs	§200.438	Unallowable with exceptions	Yes - entire section
Equipment and other capital expenditures	§200.439	Allowability based on specific requirements	Provisions requiring prior approval: •§200.439(b)(1) •§200.439(b)(2) •§200.439(b)(3)
Exchange rates	§200.440	Allowable with restrictions	Provision requiring prior approval: •§200.440(a)
Fines, penalties, damages and other settlements	§200.441	Unallowable with exceptions	Selected item of cost requires prior approval
Fund raising and investment management costs	§200.442	Unallowable with exceptions	Provision requiring prior approval: •§200.442(a)
Gains and losses on disposition of depreciable assets	§200.443	Allowable with restrictions	
General costs of government	§200.444	Not addressed	
Goods or services for personal use	§200.445	Goods and services: Unallowable Housing: Allowable with restrictions	Provision requiring prior approval: •§200.445(b)
Idle facilities and idle capacity	§200.446	Idle facilities - unallowable with exceptions Idle capacity - allowable with restrictions	
Insurance and indemnification	§200.447	Allowable with restrictions	Provision requiring prior approval: •§200.447(b)(2)
Intellectual property	§200.448	Allowable with restrictions	
Interest	§200.449	Allowable with restrictions	
Lobbying	§200.450	Unallowable Special additional restrictions	
Losses on other awards or contracts	§200.451	Unallowable	
Maintenance and repair costs	§200.452	Allowable with restrictions	

<b>Selected Item of Cost</b>	<b>Uniform Guidance Reference</b>	<b>Allowability for Universities</b>	<b>Prior Approval Requirement for Non-Research Awards</b>
Materials and supplies costs, including costs of computing devices	§200.453	Allowable with restrictions	
Memberships, subscriptions, and professional activity costs	§200.454	Allowable with restrictions Unallowable for lobbying organizations	Provision requiring prior approval: •§200.454(c)
Organization costs	§200.455	Allowable with prior approval of federal awarding agency	Selected item of cost requires prior approval
Participant support costs	§200.456	Allowable with prior approval of federal awarding agency	•Selected item of cost requires prior approval • See also §200.308(c)(1)(v)
Plant and security costs	§200.457	Allowable Capital expenditures are subject to §200.439	
Pre-award costs	§200.458	Allowable with prior approval of federal awarding agency	•Selected item of cost requires prior approval • See also §200.308(d)(1)
Professional service costs	§200.459	Allowable with restrictions	
Proposal costs	§200.460	Allowable with restrictions	
Publication and printing costs	§200.461	Allowable with restrictions	
Rearrangement and reconversion costs	§200.462	Allowable (ordinary and normal)	Provision requiring prior approval: •§200.462(a)
Recruiting costs	§200.463	Allowable with restrictions	
Relocation costs of employees	§200.464	Allowable with restrictions	
Rental costs of real property and equipment	§200.465	Allowable with restrictions	
Scholarships and student aid costs	§200.466	Allowable with restrictions	
Selling and marketing costs	§200.467	Unallowable with exceptions	Selected item of cost requires prior approval
Specialized service facilities	§200.468	Allowable with restrictions	
Student activity costs	§200.469	Unallowable unless specifically provided for in the federal award	

Selected Item of Cost	Uniform Guidance Reference	Allowability for Universities	Prior Approval Requirement for Non-Research Awards
Taxes (including Value Added Tax)	§200.470	Allowable with restrictions	Provision requiring prior approval: •§200.470(c)
Termination costs	§200.471	Allowable with restrictions	
Training and education costs	§200.472	Allowable for employee development	
Transportation costs	§200.473	Allowable with restrictions	
Travel costs	§200.474	Allowable with restrictions	Provisions requiring prior approval: •§200.474(a) •§200.474(c)(2)
Trustees	§200.475	Allowable with restrictions	

## **APPENDIX H – Prior Approval Requirements for Federal Research Awards**

This appendix contains a table that identifies the prior approval requirements for federal research awards. Please note, that agencies the terms and conditions of an award take precedence over this chart. **Always read the terms and conditions for each award.**

## Expanded Authorities: Prior Approval Requirements for Federal Research Awards

Selected Item of Cost	Prior Approval Required							
	Uniform Guidance Reference	RTC Overlay	NSF	DOE	NIH	USDA NIFA	DOC	NASA
<b>Compensation - personal services</b>								
•Directly charge payments of incidental activities for which supplemental compensation is allowable under written institutional policy (at a rate not to exceed institutional base salary)	§200.430(h)(1)(ii)	No	No	No	No	No	No	No
•Faculty salary in excess of Institutional Base Salary (IBS)	§200.430(h)(2)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
•Intra-IHE faculty consulting on a Federal award that exceed a faculty member's base salary	§200.430(h)(3)	No	No	No	No	No	No	No
<b>Compensation - fringe benefits</b>								
•Severance payments to foreign nationals employed by the non-Federal entity outside the US that exceed the amounts customary in the US	§200.431(i)(4)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
•Severance payments to foreign nationals employed by the non-Federal entity outside the US due to termination of the foreign national as a result of the closing of, or curtailment of activities by, the non-Federal entity in that country	§200.431(i)(5)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Entertainment costs</b>								
•Inclusion of costs of entertainment, including amusement, diversion, and social activities and any associated costs that have a programmatic purpose	§200.438	Yes	Yes	Yes	Yes	Yes	Yes	Yes

<b>Equipment and other capital expenditures</b>								
•Direct charge capital expenditures for general purpose equipment	§200.439(b)(1)	No	No	No	No <sup>1</sup>	No <sup>2</sup>	No	No <sup>1,2</sup>
•Direct charge capital expenditures for buildings and land use	§200.439(b)(1)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
•Direct charge capital expenditures for special purpose equipment over \$5,000	§200.439(b)(2)	No	No	No	No <sup>1</sup>	No	No	No <sup>1,2</sup>
•Capital expenditures for improvements to land or buildings which materially increase their value or useful life	§200.439(b)(3)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Exchange Rates</b>								
•Exchange rate fluctuations that result in the need for additional Federal funding, or a reduction in the scope of the project	§200.440(a)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Fines, penalties, damages and other settlements</b>								
•Costs resulting from non-Federal entity violations of, alleged violations of, or failure to comply with, Federal, State, tribal, local or foreign laws and regulations	§200.441	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Fund raising and investment management costs</b>								
•Costs of organized fund raising for the purposes of meeting the Federal program objectives	§200.442(a)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Goods or services for personal use</b>								
•Costs of housing (e.g. depreciation, maintenance, utilities, furnishings, rent), housing allowances and personal living expenses)	§200.445(b)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Insurance and indemnification</b>								
•Costs of insurance or of contributions to any reserve covering the risk of loss of, or damage to, Federal Government property	§200.447(b)(2)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Memberships, subscriptions, and professional activity costs</b>								
•Costs of insurance or of contributions to any reserve	§200.447(b)(2)	Yes	Yes	Yes	Yes	Yes	Yes	Yes

<b>Organization costs</b>								
•Costs such as incorporation fees, brokers' fees, fees to promoters, organizers or management consultants, attorneys, accountants, or investment counselor, whether or not employees of the non-Federal entity in connection with establishment or reorganization	§200.455	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Participant support costs</b>								
•Transfer of funds into the participant support cost category	§200.456	No	No <sup>3</sup>	No	Yes <sup>4</sup>	No	No	No
•Transfer of funds budgeted for participant support costs to other categories of expense	§200.308(c)(1)(v)	Yes	Yes	Yes	No <sup>5</sup>	Yes	Yes	No <sup>1</sup>
<b>Pre-award costs</b>								
•Inclusion of allowable pre-award costs	§200.458	No	No	No	No	No	No	No
•Incur project costs 90 calendar days before the Federal awarding agency makes the award	§200.308(d)(1)	No	No	No	No	No	No	No
•Incur project costs more than 90 calendar days pre-award	§200.308(d)(1)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Rearrangement and reconversion costs</b>								
•Direct charge special arrangements and alterations costs incurred specifically for a Federal award	§200.462(a)	Yes	Yes <sup>6</sup>	Yes	No <sup>4</sup>	Yes	Yes	Yes
<b>Selling and marketing costs</b>								
•Costs of selling and marketing any products or services of the non-Federal entity (unless allowed under §200.421 Advertising and public relations).	§200.467	Yes	Yes	Yes	Yes	Yes	Yes	Yes <sup>7</sup>
<b>Taxes (including Value Added Tax)</b>								
•Use of foreign tax reimbursement for approved activities under the Federal award	§200.470(c)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Travel costs</b>								
•Inclusion of travel costs for officials covered by 200.444 General costs of government	§200.474(a)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
•Travel costs for dependents for travel of duration of six months or more	§200.474(c)(2)	Yes	Yes	Yes	Yes	Yes	Yes	Yes

<sup>1</sup> Waived unless change in scope

<sup>2</sup> If the cost of the equipment is appropriately prorated among the activities to be benefitted

<sup>3</sup> Rearrangement and reconversion costs under \$25,000 may be approved by grantees

<sup>4</sup> Required, participant support costs are only allowable when identified in specific Funding Opportunity Announcements (FOAs)

<sup>5</sup> Waived, unless change in scope. For the purposes of Kirschstein-National Research Service Award (NRSA) programs, this term does not apply. NIH will continue to use the terms trainees, trainee-related expenses, and trainee travel in accordance with NRSA Regulations. Participant support costs are only allowable when identified in specific Funding Opportunity Announcements (FOAs)

<sup>6</sup> Rearrangement and reconversion costs under \$25,000 may be approved by grantees.

<sup>7</sup> Pertains only to items produced under this award in which the Federal share was used for all or part of the development.



## **APPENDIX I – University Policy for Direct Charges to Federally Sponsored Projects**

This appendix contains the university's policy for Direct Charges to Federally Sponsored Projects. Please note that the policy references OMB Circular A-21 and A-133, which have been superseded by 2 CFR 200.



# University of Colorado Denver

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## Fiscal Policy

**Title:** Direct Charges to Federally Sponsored Projects, 4-7

**Source:** Office of Grants and Contracts

**Prepared by:** Director of the Office of Grants and Contracts, Anschutz Medical Campus  
Interim Assistant Vice Chancellor for Research Administration, Downtown Campus

**Approved by:** Vice Chancellor for Research, Anschutz Medical Campus  
Provost and Vice Chancellor for Academic and Student Affairs, Downtown Campus

**Effective Date:** January 1, 2006

**Replaces:** April 1, 2004 - UCD Fiscal Policy for Charges to Federally Sponsored Projects, 4-7

**Applies:** All campuses

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### A. Introduction

On November 8, 1994, the federal government issued regulations requiring universities to comply with four Cost Accounting Standards (CAS) on contracts involving federal funds that were passed by the CAS Board (CASB). Coverage of these standards was extended to grants and cooperative agreements by the Office of Management and Budget's (OMB) May 8, 1996, revision to Circular A-21, "Cost Principles for Educational Institutions" (OMB A-21). In addition to the requirements identified in OMB Circular A-21, specific direction has been issued restricting expenditures for certain purposes. The University of Colorado Denver (UCD) is required to file a Disclosure Statement to DHHS to disclose its accounting practices, policies and procedures for assigning costs to federally sponsored projects, and to attest to the consistency of those practices.

Charges to federally funded projects that are not in compliance with cost principles and standards are subject to being refunded to the federal government. Audit findings per OMB Circular A-133 [http://www.whitehouse.gov/omb/fedreg/062703\\_audits.pdf](http://www.whitehouse.gov/omb/fedreg/062703_audits.pdf) (Federal Audit Guidelines and Procedures) represent both a financial and a reputation exposure often associated with the negative publicity about disallowed costs for the institution.

This policy represents UCD's best judgment about the appropriate application of OMB A-21 requirements of costs charged to research grants, at this time, and under present and reasonably foreseeable circumstances. This policy is not a comprehensive and legal restatement of all of OMB A-21's requirements. Within OMB A-21's framework, this policy is intended to provide support for UCD's research activities.

### Responsibility

Each UCD administrative unit (defined as part of a school, college, department, division, center, institution section or large program) is responsible for complying with and enforcing the following policies and procedures. Any penalties, disallowance or losses of funding caused by non-compliance with this policy will be the responsibility of the administrative unit in violation.

1. UCD's Administration Responsibilities

UCD administration is responsible for developing a set of operating principles and guidelines that comply with OMB A-21 and CASB standards, and clearly delineate those research-related expenses identified as direct costs versus facilities and administrative (F&A) costs. UCD administration takes responsibility for providing thorough fiscal policy, communicating changes to the faculty and staff, and overseeing the implementation of policy. Grants and Contracts is the unit designated to carry out policy oversight responsibilities for the Anschutz Medical Campus and the Division of Sponsored Projects is the unit designated to carry out policy oversight responsibilities for the Downtown Campus.

2. Administrative Unit Responsibilities

Each school or college has ultimate responsibility for implementing and monitoring compliance with this policy. Each school or college is responsible for clearly delineating the responsibilities between the school or college and its administrative units. The administrative units at UCD are the primary support for providing the principal investigator (PI) with the information necessary to fulfill his/her fiduciary and sponsored project management responsibilities.

3. PI Responsibilities

Responsibility for scientific and budgetary decision-making in research contracts and grants, following UCD policies, is assigned to and must be accepted by the individual designated as the Principal Investigator (PI) for the contract or grant. These decisions must be recorded in a manner that assures their subsequent accurate implementation. The PI is responsible for giving the administrative unit instructions on specific allocation of funds based on a "facts and circumstances" test that considers the needs of the project. While the administrative unit administrators provide PIs essential management support in this area, it is the PIs who are responsible for making the crucial financial decisions related to costs.

Applicability

To ensure the consistent treatment of costs, UCD has incorporated OMB A-21 cost accounting principles into its accounting practices and adopted these principles as policy for costs on federal awards, whether awarded directly to UCD as a prime recipient, or indirectly through a sub-agreement from another institution. These principles apply except to the extent they are modified in writing by awarding agencies via project regulations, policy statements, guidelines or other instructions.

This policy does not normally apply to non-federal sponsored projects.

Administrative expense that directly benefits such awards and is allowable per the award may be charged directly to those awards. However, the policy does apply if the non-federal sponsor receives federal funding for the project, specifically adopts OMB A-21 guidelines, or has its own policies restricting administrative charges. Expenditures must follow the sponsor policies and award guidelines.

## **B. Table of Contents**

- A. Introduction
- B. Table of Contents
- C. References
- D. Definitions
- E. Policy Statement
- F. Attachments

## **C. References**

1. CAS 9905.501 - Consistency in estimating, accumulating and reporting costs.
2. CAS 9905.502 - Consistency in allocating costs incurred for the same purpose.
3. CAS 9905.505 - Accounting for unallowable costs.
4. CAS 9905.506 - Cost accounting period.
5. Office of Management and Budget (OMB) Circular A-21, "Cost Principles for Educational Institutions" (OMB A-21) Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" (OMB A-133).
6. The White House, President George W. Bush, Fact Sheet, *Embryonic Stem Cell Research*, Office of the Press Secretary August 9, 2001 (<http://www.whitehouse.gov/news/releases/2001/08/print/20010809-1.html>).
7. National Institutes of Health, Stem Cell Information, *Frequently Asked Questions* (<http://stemcells.nih.gov/faqs.asp#19>).

## **D. Definitions**

1. Capital Equipment is an article of non-expendable tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more. This includes donated equipment, and equipment being constructed where component parts may be less than \$5,000 each, but the total cost will be \$5,000 or more.
2. Direct Costs are costs that can be identified specifically with a particular UCD project, or that can be assigned to such activities relatively easily with a high degree of accuracy.
3. F&A Costs are those that are incurred for common or joint objectives and therefore cannot be identified readily and specifically.
  - a. Examples of facilities costs include building depreciation, maintenance and repairs, health and safety, grounds maintenance, and security.
  - b. Examples of administrative costs include administrative and clerical salaries, local telephone service, membership dues, office supplies and postage.

4. Sponsored Projects are research, instructional, or public service activities that are related to the mission of UCD and sponsored by external agencies or entities. F&A is not a factor in determining whether funding is a sponsored project. Application/award issues that require administration by Anschutz Medical Campus Grants and Contracts or the Downtown Campus Division of Sponsored Projects include any one of the following:
  - a. The award is a grant or contract from a governmental entity;
  - b. Sponsor support is directed to satisfy specific, programmatic objectives that are to be accomplished within a specific time and budget framework;
  - c. The sponsor is entitled to receive some deliverable, such as a detailed technical report of research results or a report of expenditures;
  - d. There is a provision for audits by or on behalf of the sponsor;
  - e. The funding is for a project with compliance issues including, but not limited to human subjects, animal use, biohazards, and biosafety;
  - f. The grantor requests publication restrictions, patent, or licensing rights.

## **E. Policy Statement**

### **1. Requirements**

Adherence to the federal cost principles and requirements outlined in OMB A-21 is critical to the acceptance and allowance of UCD charges to federally sponsored projects. The basic requirements for all sponsored projects are:

- a. Costs must be reasonable and necessary for the performance of the sponsored project, and incurred within the project period. Failure to adequately document a cost could result in disallowance of a legitimate charge.
- b. Costs must be allocable to the project. For costs benefiting more than one sponsored project, the relative benefit must be approximated through the use of a reasonable basis reflecting use or level of service. Costs should be allocated to the projects in proportion to the benefits received.
- c. Costs must be consistently treated as either direct or F&A costs. Consistency, in this context, means that costs incurred for the same purpose, in like circumstances, must be treated uniformly as either direct costs or as F&A costs. Thus, certain types of costs, such as salaries of administrative/clerical staff, office supplies, and postage are normally treated as F&A costs. The same types of costs cannot be charged directly to federally sponsored agreements unless the circumstances related to a particular project are clearly different from the normal operations of the institution. For example, although postage is normally treated as an F&A cost, a particular project may have a special need for postage because of the mailing of hundreds of survey questionnaires. In this case, it would be appropriate to charge the project directly for the postage to mail the questionnaires since this would constitute "unlike circumstances" compared to routine postage requirements.

## 2. Direct Charging Practices that Are Not Allowable

OMB A-21 requires that direct costs "be identified specifically with particular sponsored project... relatively easily with a high degree of accuracy." Special care should be exercised to ensure that costs incurred for the same purpose in like circumstances are treated consistently as either direct or F&A costs. For example, salaries of technical staff, laboratory or research supplies (e.g., chemicals), telephone toll charges, animals, animal care costs, human subject payments, equipment, computer costs, travel costs, and specialized shop costs shall be treated as direct costs wherever identifiable to a particular project. Direct charging of these costs may be accomplished through specific identification of individual costs benefiting sponsored projects or through Service Centers as appropriate under the circumstances.

Examples of direct charging practices not acceptable to sponsored projects:

- a. Rotation of charges among sponsored projects by month without establishing that the rotation schedule credibly reflects the relative benefit to each grant.
- b. Assigning charges to the sponsored project with the largest remaining balance or other basis outside of the benefit to the project.
- c. Charging the budget amount in contrast to charging an amount based on actual usage.
- d. Assigning charges to sponsored projects in advance of the time the cost is incurred.
- e. Assigning charges to sponsored projects that were incurred outside of the project period, including a pre-award period if applicable.
- f. Identifying a cost as something other than what it actually is.
- g. Charging expenses exclusively to sponsored projects when the expense has supported non-sponsored project activities.
- h. Assigning charges that are part of the normal administrative support for contracts and grants (e.g., proposal preparation, accounting, payroll).
- i. Charging ending sponsored projects to expend funds without regard to the appropriateness of the costs.
- j. Shifting costs to other sponsored projects due to cost overruns, avoidance of restrictions imposed by law, or for convenience. Convenience would include charging a direct cost to a project on a temporary basis, pending the set-up of a new project account number.
- k. Charging administrative costs directly to sponsored projects because the administrative unit requires the PIs to fund these costs (i.e. telephone, office supplies).

Note: Special circumstances may be included in the terms of award or in overreaching principles. For example, no federal funds can be used for stem cell research for "(1) the derivation or use of stem cell lines derived from newly destroyed embryos; (2) the creation of any human embryos for research purposes; or (3) the cloning of human embryos for any purpose."

### 3. Direct Charging Administrative Costs that are Normally Considered F&A

#### a. Conditions to Direct Charge Administrative Costs

Direct charging administrative costs may be appropriate if the expense meets all of the following conditions:

- i. The cost is specified in the proposed budget of the sponsored agreement, and the special circumstances requiring direct charging are justified in the proposal.
- ii. The sponsoring agency accepts the cost as part of the project's direct cost budget (i.e., does not specifically disapprove the cost in the award or other notification to UCD). For projects that do not require submission of a project budget to the sponsoring agency, the cost must be justified and accepted by the Office of Grants and Contracts at the Anschutz Medical Campus and the Division of Sponsored Programs at the Downtown Campus.

It should be noted that approval of the budget by an agency (i.e. NIH) does not necessarily make the administrative costs appropriate. NIH states that the organization is responsible for presenting costs consistently and must not include costs associated with their F&A rate as direct costs.

#### iii. Special Project Needs

- (a) The project has a special need for the item or service that is beyond the level of services normally provided by the administrative unit personnel because it is considered a "major" project by OMB A-21 standards. See Exhibit C for examples.

or

- (b) The cost can be specifically identified to the technical scope of work conducted under the project and is appropriately documented. The project does not need to be major for those costs to qualify as technical costs and to be charged directly. They must, however, meet the other conditions in this Section E.1 in order to be directly charged.
- (c) The cost must meet basic requirements identified in Section E.1 of this policy.

- iv. If the cost meets the conditions described above but was not in the approved budget, it may be charged directly only if:

- (a) UCD has re-budgeting authority under federal regulations or the terms of the award or sponsor allows for changes; and,
- (b) Written justification is prepared (see Exhibits for location specific processes) which adequately explains the need for the cost and why it was not included in the proposal submitted to the sponsoring agency; and,

## **APPENDIX J – University Facilities and Administrative (Indirect Cost) Recovery Procedures**

This appendix contains the university's procedures for applying indirect (F&A) costs to sponsored projects. Additionally, the document explains the indirect (F&A) cost waiver process.

This document is located at:

<http://www.ucdenver.edu/research/OGC/awardadmin/preaward/Pages/facilities.aspx>



## Facilities and Administrative (Indirect Cost) Recovery

### Office of Grants & Contracts

---

#### Application of F&A Rates

It is the policy of this university to seek the appropriate, approved Facilities and Administrative Cost (F&A) recovery rate on all sponsored programs whether they are from private or public sources. Application of the standard F&A recovery rate can be waived in extenuating circumstances only (please refer to "Waiving of F&A" below).

- [Facilities and Administrative Costs Grid](#) (FY 2017-2018)
- [General Ledger Exhibit Codes Assessed F&A \(FP 4-4, Exhibit A-2\)](#)

All projects are subject to the University's Negotiated Rate Agreement unless there are instructions that specify differently. If you have instructions that specify the use of a rate other than the negotiated rate, please include those instructions when you route your proposal to Grants and Contracts.

- [Negotiated Rate Agreement dated March 8, 2016](#)
- [Negotiated Rate Agreement dated November 16, 2011](#)
- [Negotiated Rate Agreement dated November 15, 2007](#)
- [DS-2 Disclosure Statement](#)

Rates that are to be applied to a Modified Total Direct Cost (MTDC) base are calculated as follows: Subtract any costs that should be excluded from the Total Direct Cost amount to obtain the base figure. Then multiply the base figure by the appropriate F&A rate to obtain the F&A recovery. Add the F&A recovery amount to the Total Direct Cost amount to obtain the Total Costs for the project. Costs excluded from the calculation of F&A recovery:

- equipment (Equipment is defined as tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.)
  - capital expenditures
  - charges for patient care
  - tuition remission
  - rental costs
  - scholarships
-

- fellowships
- [Budget Categories Definitions for Federal Proposals \(does not apply to NSF\)](#)

If you have instructions that specify the use of a rate other than the negotiated rate, please include those instructions when you route your proposal to Grants and Contracts. Equipment is defined as tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

## **Administrative Contracting Officer (ACO)**

### **Arif Karim**

DHHS, Director - Cost Allocation Services  
90 7th Street  
Suite 4-600  
San Francisco, CA 94103-6705  
Phone: (415) 437-7820  
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## **On- Versus Off-Campus**

The appropriate application of the on- and off-campus rates is determined by the location where a majority of the UC Denver work is to be conducted. If 50% or more of the UC Denver work is to take place at an [on-campus](#) facility, then the on-campus F&A rate should be used. If more than 50% of the UC Denver work is to be conducted at an [off-campus](#) facility, then the off-campus rate should be used.

## **Other Government and Non-Profit Sponsored Projects**

If a government or non-profit sponsor has a published, consistently applied policy that establishes a specific F&A rate for the project(s), that rate will be honored by the University of Colorado Denver. Please include those instructions when you route your proposal to Grants and Contracts.

For non-profit, charitable associations, foundations and societies that do not have an established policy, the UC Denver project must initially be proposed at an F&A cost rate of no less than 10%.

## **Clinical Trials**

Non-federal clinical trials are subject to a F&A rate of 28% of Total Direct Costs.

## **Waiving F&A Cost Recovery**

The appropriate, approved facilities and administrative cost recovery rate will be sought on all sponsored programs whether they are from private or public sources. Sponsors are expected to

pay full costs except where prohibited by approved legislative, regulatory, or programmatic restrictions. Examples of Federal programs with special rates are:

- Conference and travel grants
- Training grants
- Career development awards
- Clinical research center grants
- Construction grants

If a government or non-profit sponsor has a published, consistently applied policy establishing a specific F&A cost rate for their project(s), that rate will be honored.

In the absence of a published policy, UC Denver's policies ([F&A Grid](#)) take precedence. Applications proposing rates that are not consistent with UC Denver's policies must obtain the approval of the Facility and Administrative Cost Waiver Committee for the proposed rate prior to submitting the application to the sponsor.

## **The Waiver Process**

When a deviation from the normal facilities and administrative cost rate is deemed desirable, the PI shall request approval using a [Facilities and Administrative Cost Variance Request](#). The PI can download the Variance Request from the [OGC Website](#).

Allow plenty of lead-time. The waiver process can take up to 4 weeks.

## **APPENDIX K – 2 CFR 200 Excerpts**

The **cost principles** explain what charges may be made to an award and how those charges should be classified. The federal cost principles are found in Subpart E of 2 CFR 200. While the requirements under 2 CFR 200 are only applicable to federal awards, the basic considerations for the cost principles are applicable to university policies and non-federal awards.

Before taking the Cost Principles for Sponsored Projects Course, please read the following sections from 2 CFR 200 (Uniform Guidance) to better prepare for the course. You should be able to summarize each section. Also, develop a list of questions that you have and bring them to class.

The cost principles require charges to a federal award be:

- Allowable
- Reasonable
- Allocable

### **§200.403 Factors affecting allowability of costs.**

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- (d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- (e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- (f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. See also §200.306 Cost sharing or matching paragraph (b).
- (g) Be adequately documented. See also §§200.300 Statutory and national policy requirements through 200.309 Period of performance of this part.

**§200.404 Reasonable costs.**

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally-funded. In determining reasonableness of a given cost, consideration must be given to:

- (a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.
- (b) The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the Federal award.
- (c) Market prices for comparable goods or services for the geographic area.
- (d) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal Government.
- (e) Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

**§200.405 Allocable costs.**

(a) A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:

- (1) Is incurred specifically for the Federal award;
- (2) Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and
- (3) Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in this subpart.

(b) All activities which benefit from the non-Federal entity's indirect (F&A) cost, including unallowable activities and donated services by the non-Federal entity or third parties, will receive an appropriate allocation of indirect costs.

(c) Any cost allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.

(d) Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required. See also §§200.310 Insurance coverage through 200.316 Property trust relationship and 200.439 Equipment and other capital expenditures.

(e) If the contract is subject to CAS, costs must be allocated to the contract pursuant to the Cost Accounting Standards. To the extent that CAS is applicable, the allocation of costs in accordance with CAS takes precedence over the allocation provisions in this part.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

The cost principles classify costs as either direct costs or as indirect (F&A) costs. It is essential to understand the classifications and to consistently treat similar costs as either direct costs or indirect (F&A) costs. The following sections from 2 CFR 200 explain how to classify costs.

**§200.412 Classification of costs.**

There is no universal rule for classifying certain costs as either direct or indirect (F&A) under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost incurred for the same purpose be treated consistently in like circumstances either as a direct or an indirect (F&A) cost in order to avoid possible double-charging of Federal awards. Guidelines for determining direct and indirect (F&A) costs charged to Federal awards are provided in this subpart.

The following is an excerpt from 2 CFR 200.413.

**§200.413 Direct costs.**

(a) *General.* Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs. See also §200.405 Allocable costs.

(b) *Application to Federal awards.* Identification with the Federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect (F&A) costs of Federal awards. Typical costs charged directly to a Federal award are the compensation of employees who work on that award, their related fringe benefit costs, the costs of materials and other items of expense incurred for the Federal award. If directly related to a specific award, certain costs that otherwise would be treated as indirect costs may also include extraordinary utility consumption, the cost of materials supplied from stock or services rendered by specialized facilities or other institutional service operations.

(c) The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

- (1) Administrative or clerical services are integral to a project or activity;
- (2) Individuals involved can be specifically identified with the project or activity;
- (3) Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
- (4) The costs are not also recovered as indirect costs.

(d) *Minor items.* Any direct cost of minor amount may be treated as an indirect (F&A) cost for reasons of practicality where such accounting treatment for that item of cost is consistently applied to all Federal and non-Federal cost objectives.



The following is an excerpt from 2 CFR 200.414. Information outside the scope of the Cost Principles for Sponsored Projects course has not been included.

**§200.414 Indirect (F&A) costs.**

(a) *Facilities and Administration Classification.* For major IHEs and major nonprofit organizations, indirect (F&A) costs must be classified within two broad categories: “Facilities” and “Administration.” “Facilities” is defined as depreciation on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses. “Administration” is defined as general administration and general expenses such as the director's office, accounting, personnel and all other types of expenditures not listed specifically under one of the subcategories of “Facilities” (including cross allocations from other pools, where applicable). For nonprofit organizations, library expenses are included in the “Administration” category; for institutions of higher education, they are included in the “Facilities” category. Major IHEs are defined as those required to use the Standard Format for Submission as noted in Appendix III to Part 200—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs) paragraph C. 11. Major nonprofit organizations are those which receive more than \$10 million dollars in direct Federal funding.

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(c) *Federal Agency Acceptance of Negotiated Indirect Cost Rates.* (See also §200.306 Cost sharing or matching.)

- (1) The negotiated rates must be accepted by all Federal awarding agencies. A Federal awarding agency may use a rate different from the negotiated rate for a class of Federal awards or a single Federal award only when required by Federal statute or regulation, or when approved by a Federal awarding agency head or delegate based on documented justification as described in paragraph (c)(3) of this section.
- (2) The Federal awarding agency head or delegate must notify OMB of any approved deviations.
- (3) The Federal awarding agency must implement, and make publicly available, the policies, procedures and general decision making criteria that their programs will follow to seek and justify deviations from negotiated rates.
- (4) As required under §200.203 Notices of funding opportunities, the Federal awarding agency must include in the notice of funding opportunity the policies relating to indirect cost rate reimbursement, matching, or cost share as approved under paragraph (e)(1) of this section. As appropriate, the Federal agency should incorporate discussion of these policies into Federal awarding agency outreach activities with non-Federal entities prior to the posting of a notice of funding opportunity.

## **APPENDIX L – On-Campus and Off-Campus Facilities List**

This appendix contains the official list of university facilities classified as “on-campus” or “off-campus.” This list must be used when applying the university’s indirect (F&A) cost rate.

University of Colorado Denver  
**On-Campus Building List**  
As of 06/30/2017

Updated: 09/20/2017

#	Building Name	On-Campus Locations		
		Anschutz Medical Campus	Denver Campus	Leased Space [1]
1	ACADEMIC OFFICE 1	x		
2	AMC ADMIN BLDG (500)	x		
3	AMC AUX GENERATOR BLDG (532)	x		
4	AMC BLEACHERS (412, 414, 415)	x		
5	AMC BUILDING 534 (S25)	x		
6	AMC CENTRAL UTILITY PLANT-CUP	x		
7	AMC CONF CTR (1) - CEDAR - UCH	x		
8	AMC NIGHTHORSE CAMPBELL BLDG	x		
9	AMC OFFICE BLDG (401)	x		
10	AMC OFFICE BLDG 2 (402)	x		
11	AMC OFFICE BLDG 3 (406)	x		
12	AMC OFFICES MRI, ARC (400)	x		
13	AMC PARKING & GROUNDS (531)	x		
14	AMC PERINATAL RESEARCH FACILITY (PRF)	x		
15	AMC PRESERVATION/ACCESS SVC CT (PASCAL)	x		
16	AMC PRF DOUBLE WIDE TRAILER	x		
17	AMC PRF MODULAR (AL32A)	x		
18	AMC PSYCH MEG FACILITY (533)	x		
19	AMC STORAGE (610)	x		
20	AMC UNIVERSITY POLICE (407)	x		
21	BARBARA DAVIS CENTER FOR DIABETES	x		
22	EDUCATION 1	x		
23	EDUCATION 2 FACILITY	x		
24	EMERGENCY GENERATOR NO.3	x		
25	ENVIRONMENTAL HEALTH & SAFETY 1 & 2	x		
26	FACILITY SUPPORT BUILDING (T36)	x		
27	FULGINITI CENTER FOR BIOETHICS & HUMANITIES	x		
28	HEALTH & WELLNESS CENTER	x		
29	HEALTH SCIENCES LIBRARY	x		
30	PHARMACEUTICAL RESEARCH CENTER	x		
31	RESEARCH 2	x		
32	RESEARCH COMPLEX 1	x		
33	SCHOOL OF DENTAL MEDICINE	x		
34	1015 NINTH ST HISTORIC PARK		x	
35	1027 NINTH ST HISTORIC PARK		x	
36	1047 NINTH ST HISTORIC PARK		x	
37	1050 NINTH ST HISTORIC PARK		x	
38	1051 NINTH ST HISTORIC PARK		x	
39	1061 NINTH ST HISTORIC PARK		x	
40	5TH STREET HUB		x	
41	ACADEMIC BUILDING 1 STUDENT COMMONS BLDG		x	
42	ADMINISTRATION BUILDING		x	
43	ARTS BUILDING		x	
44	BOULDER CREEK BUILDING		x	
45	BUSINESS SCHOOL BUILDING		x	
46	CAMPUS POLICE & SECURITY		x	
47	CENTRAL CLASSROOM		x	
48	CHILD CARE CENTER		x	
49	CHILD DEVELOPMENT CENTER		x	
50	CU DENVER BUILDING		x	
51	EMMANUEL GALLERY		x	
52	FACILITIES ANNEX		x	
53	FACILITIES MANAGEMENT		x	
54	GOLDA MEIR HOUSE		x	
55	KING ACADEMIC & PERFORMING ART		x	

University of Colorado Denver  
On-Campus Building List  
As of 06/30/2017

Updated: 09/20/2017

#	Building Name	On-Campus Locations		
		Anschutz Medical Campus	Denver Campus	Leased Space [1]
56	LAWRENCE STREET CENTER		x	
57	LIBRARY & MEDIA CENTER		x	
58	NORTH CLASSROOM		x	
59	PARKING & TRANSPORT CENTER		x	
60	PE/EVENT CENTER		x	
61	PLAZA BUILDING		x	
62	PRINTING & DISTRIBUTION CENTER		x	
63	RECTORY OFFICE		x	
64	SCIENCE BUILDING		x	
65	SEVENTH STREET CLASSROOM		x	
66	SOUTH CLASSROOM		x	
67	ST. CAJETAN'S CENTER		x	
68	ST. ELIZABETH'S CHURCH		x	
69	ST. FRANCIS CENTER		x	
70	WEST CLASSROOM		x	
71	BIOSCIENCE 2 - BIOENGINEERING DEPARTMENT			x
72	CU MEDICINE BLDG - ACCORD (FORMER COHO), SUITES 210 & 300			x
73	CU MEDICINE BLDG - CENTER FOR HEALTH CARE (HCPR), SUITE 400			x
74	CU MEDICINE BLDG - CSPH GLOBAL HEALTH, SUITES 300 & 310			x
75	CU MEDICINE BLDG - DEPRESSION CENTER, SUITE 330			x
76	CU MEDICINE BLDG - NATIONAL BEHAVIORAL HEALTH, SUITE 220			x
77	GARY PAVILION @CHCO - KEMPE CENTER			x
78	LEPRINO BUILDING 3RD FLOOR			x
79	TIVOLI 900 AURARIA PARKWAY 139 & C239 (TIVOLI THEATRES)			x
80	TIVOLI 900 AURARIA PARKWAY SUITE 124 & C100C			x
81	TIVOLI 900 AURARIA PARKWAY SUITE 127D, 127F, 127G & C127			x
82	TIVOLI 900 AURARIA PARKWAY SUITE 227			x
83	TIVOLI 900 AURARIA PARKWAY SUITE 241			x
84	TIVOLI 900 AURARIA PARKWAY SUITE 259, 260, 267			x
85	TIVOLI 900 AURARIA PARKWAY SUITE 454, 457, 458, 460			x

**Abbreviations:**

AMC-Anschutz Medical Campus
BLDG-Building
CHCO-Children's Hospital of Colorado
COHO-Colorado Health Outcomes Center
CSPH-Colorado School of Public Health
HCPR-Health Care Policy and Research
NJH-National Jewish Hospital
PRF-Perinatal Research Facility

**Notes:**

[1] Leases funded by Central Administration are considered "On-Campus".

University of Colorado Denver  
**Off-Campus Building List**  
As of 06/30/2017

Updated: 09/20/2017

#	Off-Campus Locations
1	1050 17TH ST., SUITE A300, DENVER
2	12605 E. 16TH AVE 3RD FLOOR, AURORA
3	1330 S. POTOMAC #104, AURORA
4	1530 N. FITZSIMONS PARKWAY, #47, #547 & #548, AURORA
5	1557 OGDEN STREET, DENVER
6	1620 GAYLORD STREET, DENVER
7	1635 AURORA COURT, ROOMS 1405,1405A,1405B, AURORA
8	1648 GAYLORD STREET, DENVER
9	1900 WARDENBURG DRIVE, BOULDER
10	2309 SCHOOL ROAD, MANDERSON, SD
11	2925 EAST COLFAX AVENUE, DENVER
12	3401 QUEBEC STREET, SUITE 5000, DENVER
13	350 BROADWAY, SUITE 50, BOULDER
14	393 S. HARLAN STREET, SUITE 250, LAKEWOOD
15	400 SOUTH SECOND ST., UNITS B9, B10 & A016, LASALLE, CO
16	409 N. TEJON ST., SUITE 111, COLORADO SPRINGS
17	4112 S. KNOX COURT #129A, DENVER (ARTS)
18	4112 S. KNOX COURT #174A, DENVER (CON)
19	4400 E. 9TH STREET, DENVER
20	5001 S. PARKER ROAD, SUITES 215 & 216, AURORA
21	509 G COLORADO AVENUE, PUEBLO
22	554 25 ROAD, UNIT #5, GRAND JUNCTION, CO
23	5627 NEWLAND WAY, ARVADA
24	601 EAST 18TH AVENUE, SUITES 101 & B-100, DENVER
25	609 MAIN ST., ALAMOSA, CO
26	613 FOURTH ST., ALAMOSA, CO
27	6303 WADSWORTH BYPASS, ARVADA
28	9700 E. EASTER LANE, CENTENNIAL
29	ANSCHUTZ CANCER PAVILION (ACP)
30	ANSCHUTZ INPATIENT PAVILION (AIP)
31	ANSCHUTZ OUTPATIENT PAVILION (AOP)
32	BIOSCIENCE 2 - ANESTHESIOLOGY (IC42)
33	BIOSCIENCE 2 - CLINIMMUNE

#	Off-Campus Locations
34	BIOSCIENCE 2 - CMOCO (PATHOLOGY)
35	BIOSCIENCE 2 - COLORADO GENETICS LAB
36	BIOSCIENCE EAST - CENTER FOR SURGICAL INNOVATION
37	BIOSCIENCE EAST - PATHOLOGY
38	BIOSCIENCE EAST - REGENERATIVE MEDICINE (DERMATOLOGY)
39	BIOSCIENCE EAST - TECH TRANSFER
40	CHILDREN'S HOSPITAL OF COLORADO (CHCO)
41	CU MEDICINE BLDG - COLORADO PREVENTION CENTER
42	CU MEDICINE BLDG - HEMOPHILIA
43	DENVER HEALTH MEDICAL CENTER (DGH)
44	DENVER PLACE - 999 18TH ST, SUITES 144 & 805N, DENVER
45	FT. LOGAN - 3525 W. OXFORD AVENUE (ARTS)
46	FT. LOGAN - 3525 W. OXFORD AVENUE, STE G1, G2, G3 (CON)
47	FT. LOGAN - 3610 W. PRINCETON CIR
48	FT. LOGAN - 3620-3630 W. PRINCETON CIR
49	FT. LOGAN - 3660-3670 W. PRINCETON CIR
50	FT. LOGAN - 3680-3690 W. PRINCETON CIR
51	FT. LOGAN - 3702-3712 W. PRINCETON CIR
52	FT. LOGAN - 3722-3726 W. PRINCETON CIR
53	FT. LOGAN - 3732-3738 W. PRINCETON CIR
54	FT. LOGAN - 3762 W. PRINCETON CIR
55	FT. LOGAN - 3804/3808 W. PRINCETON CIR BLDG 13
56	FT. LOGAN - 3814-3818 W. PRINCETON CIR
57	FT. LOGAN - 3844-3854 W. PRINCETON CIR
58	FT. LOGAN - 3864-3874 W. PRINCETON CIR BLDG 17
59	FT. LOGAN - 3884/3894 W. PRINCETON CIR BLDG 18
60	HIGHWAY 18 & C STREET UNIT 2, PINE RIDGE, SD
61	LANE CENTER - 4863 N. NEVADA AVE, CO SPRINGS (SOM)
62	LEPRINO OFFICE BLDG (EXCLUDING CCTSI)
63	NATIONAL JEWISH MEDICAL/RES CTR
64	ROCKY MTN LION'S EYE INSTITUTE
65	ROSE MEDICAL CENTER
66	VETERAN'S ADMIN MEDICAL CENTER

**Abbreviations:**

ACP-ANSCHUTZ CANCER PAVILION
AIP-ANSCHUTZ INPATIENT PAVILION
AOP-ANSCHUTZ OUTPATIENT PAVILION
BLDG-BUILDING
CHCO-CHILDREN'S HOSPITAL OF COLORADO
CON-COLLEGE OF NURSING
DGH-DENVER GENERAL HOSPITAL
SOM-SCHOOL OF MEDICINE