

**Institutional Handbook of Operating Procedures**  
**Policy 4.5.2**

Section: Fiscal Policies	Responsible Vice President: Executive Vice President of Business and Finance
Subject 4.5: Cost Accounting	Responsible Entity: Office of Sponsored Programs

**I. Title**

*Consistent Treatment of Costs*

**II. Policy**

This document provides the general guidelines for the consistent treatment of costs for all UTMB departments. This policy and the related procedures must follow the related procedures defined in 2CFR 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. More detailed explanations, procedures, and a listing of the major expense items can be found in the UTMB costing procedures at the following URL address, <http://research.utmb.edu/>. Final determination on cost will be made by Research Services or Grants and Contracts Accounting..

**III. Non-Federal Sponsored Agreements**

All project-related costs may be direct charged to non-federal sponsored agreements if the awarding sponsor has approved them. Non-Federal agreements have been determined to be unlike circumstances.

**IV. Federally-Sponsored Agreements**

The following chart, not all-inclusive, depicts activities/costs that might be charged to federally sponsored agreements.

**Examples of Direct Cost: Activities and Costs that may be direct charged if the costs can be identified with a particular sponsored project and if approved by the awarding agency.**

Approved travel costs  
 Conducting a telephone survey required specifically by a project  
 Delivery/ Courier Costs  
 Developing materials for publication or presentation related specifically to a project  
 Equipment Costs  
 Insurance  
 Interest Costs of Project Equipment  
 Long Distance Toll Charges  
 Maintenance & Repair Cost  
 Material Costs  
 Photocopy Costs (not including Administrative Photocopies)

**Examples of Indirect Cost (F&A Cost): Cost that are generally not charged directly to federally sponsored programs**

General Departmental Administration

- Accounting & budgeting activities
- Administrative and Clerical Salaries
- Filing
- Local telephone & telephone equipment
- Memberships
- Office Supplies
- Personnel activities
- Photocopy costs
- Postage
- Processing and tracking routing purchase orders

Printing and Publication (allow up to 90 days after the end date of the project) related specifically to a project  
 Project Salaries (including administrative and clerical salaries when justified as integral to the project, specifically identified)  
 Project specific programming  
 Project specific programming  
 Remodeling costs  
 Required Insurance Cost  
 Specific allowable advertising costs  
 Specific Public Relations Costs  
 Specific Subscription Costs  
 Specific Subscriptions  
 Student salaries  
 Supplies (including computing devices)

- Processing vouchers  
  
 - Routine telephone answering  
  
 - Routine travel planning  
 Contract and grant administration  
 Correcting and organizing data (non-project related)  
 Equipment Depreciation  
 General Operation & Maintenance Costs  
 Grant Proposal Costs  
 Lab Coats  
 Maintaining databases  
 Newsletter/brochure preparation  
 Routine data entry  
 Utilities

**V. Definitions**

Direct Costs: Costs that can be specifically allocated to a particular sponsored project, and instructional activity, patient care activity, or any other institutional activity, or that can be assigned to such activities relatively easily with a high degree of accuracy. For a cost to be charged directly to an activity there must be a direct benefit to the activity.

Indirect (F&A) Costs: Costs that are ordinary and routine, incurred for common or joint objectives, and cannot be readily and specifically identified with a specific activity. These costs are allocated to the direct activities using the indirect cost rate.

Consistent Treatment: Charging all costs incurred for the same purpose, in like circumstances, as either direct costs only or indirect costs only. Any cost charged as a direct cost to federal projects must also be direct charged to other institutional activities. If a cost is identified as an indirect cost, it may be charged as a direct cost only in certain specific circumstances where the characteristics of the cost would unfairly burden the indirect costs. Direct costs that are allocated to sponsored projects or activities must be allocated using a reasonable method that is consistently followed. All departments must treat like costs in the same way.

**VI. Relevant Federal and State Statutes**

[2CFR 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

**VII. Dates Approved or Amended**

<i>Originated: 7/20/1998</i>	
<i>Reviewed with Changes</i>	<i>Reviewed without Changes</i>
10/16/2011	02/29/2003
3/22/2016	

**VIII. Contact Information**

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