



**San Francisco
State University**

Office of Research and Sponsored Programs

Charging Direct and Indirect Costs Procedures

Issued: January, 2007

Implemented: March, 2007

POLICY BACKGROUND

As a recipient of federal awards, San Francisco State University (SFSU) is required to meet compliance standards outlined by external regulations, including the federal guidelines in OMB Circular A-21. This policy defines how expenses will be budgeted and charged to sponsored projects at SFSU.

All charges to sponsored research must be consistent with criteria established in the Direct and Indirect Cost Charging Policy, other applicable SFSU procedures, and sponsor regulations.

ORSP PRE-AWARD

- Proposal Specialist reviews terms and conditions of particular program.
 - Ensures that appropriate costs are included in the proposal budget.
 - Informs PI of special requirements or terms under the agency.

ORSP POST-AWARD

A. Project Number Logic in Financial Management System (FMS)

The Grant Administrator (GA) follows this number logic for projects as they are entered into FMS. The first two digits in the 8 digit project number identify the award sponsor.

1. 10-19 = NSF
2. 20-29 = NIH
3. 30-39 = US Department of Education
4. 40-49 = Other Federal Agencies
5. 50-54 = State
6. 55-56 = Local
7. 57-58 = Non-Profit
8. 59 = For Profit
9. 60-65 = Sub-Contracts; Prime is Federal
10. 66-67 = Sub-Contracts; Prime is State
11. 67-68 = Sub-Contracts; Prime is Local

B. Grant Administrator Review

1. GA reviews terms and conditions of the award during project set-up.
2. GA assigns a unique project number for the award in the FMS.
3. GA creates both a Budget Request Form and an Agreement Form for the project.
4. GA provides the PI with the links to the NSF General Grant Conditions (GC-1) and the Grants Policy Manual.
5. GA meets with the PI to review the terms and conditions of the award and discuss the spending plan for the project.
6. If it is the PI's first time receiving an award, the GA also provides an orientation to specific policies and practices of research administration at SFSU.

C. Office of Research and Sponsored Programs PI Training:

- Online and in-person grant management trainings are provided to PI's on a regularly scheduled basis.

D. Project Monitoring

1. PI's are responsible for reviewing and approving all expenditures charged to their project(s), including personnel expenses, invoices, requisitions, travel claims and reimbursement.
2. Expenditure is approved by PI.
3. Grants Support Coordinator provides initial review for availability of funds.
4. GA reviews the expenditure to make sure that it is allowable, allocable and reasonable given the scope of work, terms and conditions of the grant and OMB Circular A-21.
5. When Independent Contractor services are not in the awarded budget, the GA reviews the sponsor guidelines for specific requirements. Some agencies may require advance approval, but most agencies approve the use of Independent Contractors if the person(s) to be utilized provide expertise in the specific area of research, and the anticipated costs of their services are included in the awarded budget.

E. Levels of Approval Authority

- The following levels of approval authority have been established for ORSP staff:
 - ≤ \$5,000 – GA
 - ≤ \$10,000 – Post-Award Manager
 - \$10,000 – ORSP Director or AVP when the Director is absent

FISCAL AFFAIRS

- A. Fiscal Affairs Accountant is responsible for setting up award attributes and running indirect cost allocation.
- B. The allocation program takes each specific project indirect cost percentage and multiplies it by the balance of the accounts. Facilities & Administrative costs should be applied against this balance per month.
- C. Once a month, the Fiscal Affairs Accountant will process the allocation for the indirect cost. This process will automatically allocate the indirect costs by creating journal entries debiting the indirect cost accounts.