

COST PRINCIPLES AND PROCEDURAL STATEMENTS FAQs

Cost Principles Policy FAQs

Question: What is required for a cost to be adequately documented?

Answer: Receipts or copies of receipts for all purchases (electronic copies are acceptable unless the sponsor has requirements for original receipts). Departments are responsible for ensuring receipts or copies of receipts are stored in accordance with CU Boulder records retention policies, generally with the department, in Concur, in CU Marketplace, or with another university-approved system. Receipts for purchases do not guarantee that the purchase will be considered allocable, allowable, and reasonable. Additional justification may be required if reasonableness is not self-evident.

Question: My institutional base salary is \$140,000 over 9 months, which is higher than the current NIH limit (\$138,825, as of January 2016). I have 10% academic year effort currently committed on my NIH grant, so NIH is only reimbursing the University for \$13,883, rather than \$14,000. Can I charge the remaining \$117 to my NSF grant, since it doesn't have a salary cap?

Answer: No, per the Uniform Guidance Limitation on Allowance of Costs, this would not be allowable. Since the 10% effort was entirely allocated to the NIH grant, it cannot also be charged to another sponsored project.

Inclusion of Administrative Salaries on Sponsored Projects

Question: I am a department administrator, and a PI in my department has administrative salary costs on their approved budget. How do I ensure that this cost is not recovered as indirect costs?

Answer: The department is not responsible for ensuring this process is followed. The Campus Controller's Office (CCO) will ensure this cost is not recovered as indirect costs.

Question: I charged administrative salary costs to my project but have not yet gotten sponsor approval. What will happen if they don't approve?

Answer: You will be asked to remove the cost and charge it to a departmental account.

Purchase of Computing Devices on Sponsored Projects

Question: Once my project is completed, can I keep the laptop purchased on this project for my own personal use or donate it to another individual or organization?

Answer: No. It does not become your personal property at the end of the project and its use must comply with university procedures regarding property.

Question: Once my project is completed, can I keep the laptop purchased on this project as my university work computer?

Answer: Maybe. If a computing device is purchased on a project that is governed by [FAR 52.245-1](#), that device may be titled to the Government, so it is important to be familiar with the project's terms and conditions. When it is not titled to the Government or with the sponsor, the device is the property of the university and should be retained by the department after the end of the award for

ongoing research activities, or for disposal in accordance with university policies. Contact ocgproperty@colorado.edu for more information.

Question: What if the computer purchased with my project funds is later considered an unallowable expense?

Answer: If a computing device expense is deemed unallowable at any time, the cost will revert back to the PI and the PI's department for recovery from a departmental account.

Question: My project ends in 75 days and I'd like to purchase a computer before the final end date, is this allowed?

Answer: Most sponsors will not allow a computer purchase at the end of the project. In fact, purchases made within six months of the project end date may be subject to more scrutiny from the sponsors. Check with your SPA Grant Accountant to see if this can be charged.

Question: What is an example of adequate justification for a computing device being purchased that wasn't included in the original proposal?

Answer: The justification need not be very long, just briefly describe the purpose and benefit of the device on the project. For example: "the computer being used for data analysis is no longer functioning and needs to be replaced to complete the research".

Inclusion of Costs Associated with Hosting a Conference by CU Boulder on Sponsored Projects

Question: I am going to have a meeting with a collaborator from another institution and we plan to discuss our research progress thus far. Can I charge costs associated with this meeting (room rental, parking, refreshments) to a sponsored project?

Answer: This would not be considered a conference cost because information would not be disseminated beyond collaborators that are working on the same sponsored project. This might be considered an [official function](#), which requires prior approval from the sponsor.

Question: I plan to have a weekend retreat where we will have presentations and graduate students from our department present. Can I charge this to a sponsored project?

Answer: No. Information must be disseminated beyond the non-Federal entity (CU Boulder) per the Uniform Guidance guidelines.

Question: I need to hold an international Skype group conference call. May I charge this as a conference expense?

Answer: If the primary purpose of the conference call is to disseminate technical information outside of CU Boulder, this may be an allowable conference expense. Please work directly with your OCG Grants of Contracts Officer to document the purpose and attendees of this conference call.

Question: We are hosting a sponsor-approved conference and would like to have a breakout session with our project collaborators, can this be included as conference cost?

Answer: If the breakout session is included as part of the original conference schedule, as opposed to a separately budgeted event, then it can be included. If this is an additional session above and beyond the scope of the original conference, then it would not be considered an eligible conference cost.

Question: I have traveled to a conference and some of my collaborators are also attending. We decided to discuss our research over dinner. Is this considered an allowable meeting or workshop cost?

Answer: No, each individual is responsible for their own meal, which can be covered through travel costs if the individuals are in travel status.

Question: In a conference funded by NSF participant support, meals are included for the participants. Can the meals for the PI and CU staff organizing the event be charged to the participant support project?

Answer: Only meals for the participants may be paid for with participant support costs. If the sponsor-approved budget also included non-participant support costs, meals for the PI and staff may be allowable.

Entertainment Costs Using Sponsored Project Funds

Question: What are some examples where food is an allowable cost when someone is not in travel status?

Answer: Food expenditures that occur while not in travel status or are not part of a sponsor approved conference are considered entertainment costs. On rare occasions, a non-Federal sponsor may allow or even request non-programmatic related entertainment costs charged to their project. However, Federal awards will pre-approve the direct charging of entertainment costs to a project only when they serve a specific programmatic purpose.

Question: The PI stated in an NSF proposal and budget justification to take 10 participants rafting as part of a cultural study relating to the award. The cost for these participants would be allowed to post to the project, correct?

Answer: If this specific event was explicitly disclosed in the proposal budget justification and budgeted as a separate line item, the cost of this event would be allowed to post to the Participant Support category of the award.

Question: We want to provide pizza for students working late that are preparing for a presentation, can this be posted to a sponsored project?

Answer: No, this would be a personal expense. It is not an allowable University expense per the [PSC Procedural Statement \(PPS\): Sensitive Expenses](#).

Question: Is renting a CU bus or van to transport students associated with a research project to a Denver event allowed on my project?

Answer: This generally would not be an allowable entertainment cost, but may have the potential for a travel cost based on the scope of work (SOW) of the award, and any prior approval of the sponsoring agency.

Question: For an appreciation and team building exercise, we want to take a group of international students that are here for the summer on a bowling event. We would like to charge the NSF participant support cost portion of the award.

Answer: Unless it has been clearly proposed in the award budget along with a budget justification, this would not be allowed. The sponsor would need to be contacted as prior written approval is required for this type of cost, and the cost must adhere to the [PSC Procedural Statement: Recognition and Training](#).

Question: We are planning a kick-off event to introduce the research project of a distinguished research professor. As a cost of this event we need to pay for a room rental. Since this is directly related to the project, is it allowable to charge the room rental to the project?

Answer: The room rental would not be an allowable cost to post to the project, as it has no specific benefit to fulfill the research objective of the award.

Purchase, Use, and Disposition of Sponsored Project Equipment

Question: Is prior approval for equipment purchases required even if I list specific equipment in my budget?

Answer: It depends on the terms and conditions of the award. Some sponsors still require prior approval for equipment specifically listed in the award budget, while others do not. Refer to the award documents to determine the prior approval requirements, the award Terms and Conditions page in the Boulder eRA system, or contact ocgproperty@colorado.edu for assistance. For more information, see [FAQs on OCG's website](#).

Question: The Graduate Assistant working on my project needs a new office chair to use while analyzing the data collected for the project. I want to charge my project for the cost of a used chair I can get from Property Services. Can I do that?

Answer: No. Office furniture is considered general purpose equipment and is not allowable as a direct cost on an award.

Question: If we are required to provide maintenance for equipment purchased on sponsored projects, can I budget for this maintenance in my proposal?

Answer: Yes. In order for maintenance costs to be budgeted for on an award, the budget justification should include how the costs provide a direct and demonstrable benefit to the sponsored project.

Question: I completed a fabrication with my NSF award last year and I want to modify it now for use on my new DARPA award. Will the new components become part of this same fabricated item?

Answer: It depends. If the total value of the new components is \$5K or greater and they add enhancements and functionality with a useful life greater than one year that improves the functionality of the original equipment, the cost of the modifications can be added to the fabrication. However, if their total value is less than \$5K or they only keep the equipment operational at its original performance level, the components are charged as supplies and not added to the fabrication. See the [Sponsored Projects Property Control Manual](#) for more details.

Question: I purchased a piece of equipment a few years ago that needs an upgraded operating system costing \$4,100. Is the upgrade considered part of this permanent equipment?

Answer: No. In order for this to be a capital upgrade, it must add to the permanent value of the original equipment by providing significant improvement to the functionality of that item, have an acquisition cost of at least \$5K, and extend the useful life of the original equipment by at least one year. Since this upgrade is less than \$5K, its cost could not be capitalized, it is not considered permanent equipment, and it would be charged as an operational expense.

Direct Charging to Sponsored Projects in Like and Unlike Circumstances

Question: Can I charge the cost of toner cartridges to a 0% F&A non-Federal award?

Answer: All costs charged to any sponsored project must be substantiated as to how they directly benefit and help fulfill the research objective of the project, as well as be allocable in amounts accurately representing the level of use on the project. This is true even for unlike circumstances in which costs that are normally treated as indirect can be direct charged. If the toner is for general office use, it would generally not be allowable. If the toner is to be used for a specific project purpose then you may be able to charge it if the sponsor allows. Check your sponsor requirements or contact your SPA Grant Accountant if you have questions.

Question: Can I purchase books as a direct cost on my federal award?

Answer: If the book provides instruction on a specific scientific method directly benefiting the research on a specific project this would meet the standard of an unlike circumstance. If a book is beneficial to broadening the PI's knowledge in their field but does not serve a specific purpose on the sponsored project, the cost of the book would be considered an indirect cost and should not be direct charged to a sponsored project.

Inclusion of Memberships, Subscriptions and Professional Activity Costs on Sponsored Projects

Question: I received an NSF award including participant support costs. The budget for participant support includes stipends and an institutional allowance. May I charge membership fees for the participants to the participant support project?

Answer: Yes, you may charge membership fees to the participant support project if there is budget available from the institutional allowance, and if the membership fees are in support of the participants. The institutional allowance may not be used to pay membership fees for the PI or other CU Boulder faculty or staff. It is not allowable to charge membership fees to NSF participant support awards that do not have an institutional allowance.

Question: I am attending a conference to present research related to my Federal award. Membership is required to attend the conference and provides a discount on the registration fee. May I charge the membership fee to the sponsored project?

Answer: No. Individual membership fees are not allowed on Federal awards. These types of costs are considered indirect costs covered by F&A. The membership can be purchased first on a separate transaction with non-sponsored funds, and then a second transaction can be made to pay only the conference registration fee with sponsored project funds.

Question: I have an appointment on an NIH training grant at CU Boulder. I would like to travel to Georgia Tech for specialized training related to my research and charge the cost of the travel to the training grant. Is this an allowable professional activity cost?

Answer: Yes, with prior written approval from NIH, costs for travel and registration fees for the specialized training are allowable professional activity costs on the training grant.

Inclusion of Personnel Recruitment Costs on Sponsored Projects

Question: A potential candidate has traveled to Boulder from Boston. The PI and a few of his colleagues take the candidate out to lunch as part of the interview process. Can the meal be charged to a sponsored project?

Answer: If the candidate is being recruited to work on a sponsored project, the candidate's meal would be an allowable cost as part of their travel expenses, either as a direct reimbursement or as a per diem charge. The PI and colleagues' meal would not be an allowable expense because they are not in travel status.

Question: The PI anticipates the need for recruiting a postdoc to complete the scope of work on a project. Should the cost be identified as Marketing Costs on the proposed budget?

Answer: Recruiting costs are not considered marketing costs and should be included under Other Direct Costs: Recruiting Costs.

Question: Is prior approval required for international travel costs associated with recruiting?

Answer: It depends. Please review your award documents and sponsor guidelines, and contact your Grant or Contract Officer for assistance. In general, if prior approval is required for international travel, prior approval will be required for international travel associated with recruiting.

Question: The PI would like to reimburse a candidate's airfare for travel to Boulder for an interview. Does the applicant need to adhere to the Fly America Act?

Answer: If the cost of the airfare is going to be charged to a federally funded sponsored project that the candidate would potentially be working on, the air travel needs to comply with the Fly America Act even if the candidate will be purchasing the ticket and getting reimbursed for its cost.

Question: We have included recruitment costs on our project, but our search failed after paying for two candidates to visit CU Boulder. Can we still charge these costs to our sponsored project?

Answer: Yes, costs of a recruitment search are allowable, even if the position ultimately is not filled.

Inclusion of Research-Related Relocation Costs on Sponsored Projects

Question: I am hiring a new employee who is currently located in another state to work on a sponsored project. I did not include relocation expenses on my original budget; can I pay for relocation costs now?

Answer: It is possible to charge relocation costs, assuming no sponsor-specific restrictions. Contact your SPA Grant Accountant to ensure that the cost is properly documented before any expenses are incurred.

Question: I am hiring a new employee who will work 50% FTE on my NSF grant, and 50% FTE on my NIH grant. Since the total FTE is 100%, can I charge relocation costs to my NSF grant?

Answer: This will require that you review the potential cost with your SPA Grant Accountant. Some agencies (like NSF) only allow charging of relocation costs for employees working 100% on their specific funded project. Other agencies may allow partial charging reflecting the proportion of effort.

Question: We have hired an employee for a federal sponsored project and are paying for some of their relocation costs out of our sponsored project budget. The new employee bought their own plane ticket on a foreign carrier and we need to reimburse them; can we do so?

Answer: All international airfare charged to a federally-sponsored project must conform to the Fly America Act, even if we are doing a reimbursement rather than a direct purchase. Check the [Travel Desktop Reference](#) to see if the purchase conforms to the Fly America Act. If it does, then it can be charged to the project.

Question: I am an existing employee who will be going to a foreign country for a 13-month period, which will be funded by a federally-sponsored project. I cannot bring dependents, and my costs will not include moving any household goods. Can I include relocation costs in my budget?

Answer: Some of your expenses may be considered travel expenses. Costs associated with this type of move would not be considered relocation costs. See the [CU Travel Policy](#) for more information.

Question: We have a new hire moving to Boulder, and their contract with the moving company is under their spouse's name; can the cost be charged?

Answer: Yes, but documentation will be needed from the hiring company that this move is for the employee (an email or other document will suffice).

Question: I have a PI transferring from another institution along with his award, and he would like to bring a GRA who is currently working on the sponsored project. Can we charge relocation costs for this GRA to the sponsored project?

Answer: As long as the GRA will be working on the sponsored project for at least 12 months after coming to CU Boulder, and the PI can demonstrate that the GRA is essential personnel for the project, this is an allowable charge. The relocation costs should be detailed in the GRA offer letter.

Question: Does an Additional Pay Form routed through SPA constitute adequate documentation for relocation costs?

Answer: Yes, as long as the form contains an explanation of how the position is allocable and necessary to the performance of the award. This information can be provided in "Reason" box on the form or attached as a separate document.

Charging Stipends to Sponsored Projects

Question: Which type of NIH awards allow stipends?

Answer: NIH training grants and fellowships allow stipends. The NIH Grants Policy Statement states, "Stipends are not allowable under research grants even when they appear to benefit the research project". Therefore stipends are not allowed on NIH research awards.

Question: As part of an NSF REU Participant Support project, we are hosting a conference for undergraduate students during the summer. How should we pay their stipend?

Answer: Departments should use the payment authorization form to pay the undergraduate students their stipend for attending the conference.

Question: I have an undergraduate working in my lab for the summer. She is working on a specific research project and will be working 10 hours per week. Can I pay her with a stipend?

Answer: When a student has work expectations and service to the university is rendered, this is an employee/employer relationship, the pay is considered compensation, and the student should not be paid a stipend. The undergraduate student should be paid with the Student Assistant Job Code

Series (4101 – 4106), depending on the level of the position. Payments for these job codes are posted on the financial statements in account code 407600 – Student Hourly Pay.

Question: A student in my lab is being paid on a trainee project. Their trainee monthly stipend is lower than the approved GRA monthly wage for my department. Is there any way to supplement their pay to ensure everyone in my lab is receiving equal payment?

Answer: Here are two potential options to provide additional funding for students.

1. The trainee may be able to receive stipend supplementation if provided from non-sponsored project funds. No service to the university for the stipend supplementation is required.
2. Wages over and above the stipend could only be charged to a sponsored project if there is work effort on a sponsored project separate from the one funding the stipend. This is not allowed by all sponsors. Check sponsor requirements or contact your SPA Grant Accountant for more information. If additional effort would cause the student to exceed standard graduate student full-time status, approval from the Graduate School will be needed.

Charging Travel Expenditures to Sponsored Projects

Question: Do I need sponsor pre-approval if the trip is included in the proposed budget?

Answer: While sponsor funding demonstrates approval, DOE, DPA and ARO generally have more restrictive terms that require pre-approval. Please note that the most restrictive terms on an individual award must be followed regardless of sponsor.

Question: I'll be attending an important conference this summer to report on my project's findings and would like my graduate student to also attend because I think this would be a good experience for him. Can I charge his travel expenses to my project?

Answer: It depends on the purpose of the trip and if it directly benefits the research objective of the project. If the student is not supported by the project or is not providing a service to the project, it will be difficult to substantiate how his trip directly benefits the project.

Question: What am I expected to pay for with my per diem and incidentals allowance?

Answer: The incidentals allowance is meant to cover fees and tips the traveler pays to baggage handlers or hotel staff, and other small miscellaneous items. The per diem allowance covers meal and personal expenses such as personal phone calls, laundry, movie rentals, or other entertainment costs while in travel status.

Question: Is the same documentation required for non-employee travel charges on a participant support project as listed in the Non-Employee Travel Expenses section of the Travel Procedural Statement?

Answer: Different documentation is required for participants whose travel is supported by a participant support project. Please contact the project's SPA Grant Accountant for additional information.

Question: I need to travel to the Anschutz campus to meet with a colleague, can I be reimbursed for our meal?

Answer: This would not qualify as travel status eligible for meal or lodging reimbursement but you can be reimbursed for your mileage and parking fees. These can be direct charged to the project if the travel was necessary to and directly benefited the project being charged.

Question: I am attending a three-day conference in Denver. It will begin at 9:00am daily and run until 6:00pm, but I will be arriving early and staying late to meet with colleagues, so I will be in Denver for more than 12 hours each day, can I charge the two-nights of lodging to my sponsored project?

Answer: Choosing to stay in Denver for personal convenience would not qualify this trip for meals and lodging reimbursement. In order to qualify as an allowable sponsored project cost, the overnight stay must be necessary to complete the purpose of the trip **and** directly support the project being charged.

Inclusion of Research-Related Visa Costs on Sponsored Projects

Question: I have a research associate who is coming from outside the US to work on my federal award. Can I charge the cost of their visa to the sponsored project?

Answer: You may charge the visa application fees, including the filing fee and the Anti-Fraud Fee to the award if the researcher is essential and necessary for the project. Internal CU Boulder processing fees and any expedited processing fees cannot be charged to the sponsored project. The department should retain documentation from the PI that the prospective research associate is essential and necessary for the sponsored project.

Question: I have a research associate that needs to have their visa renewed. Can I charge the cost of the visa to the grant?

Answer: No. Visa costs are only allowable as part of recruitment, not retention.

Question: Can I charge a rush visa or premium visa processing fee to a sponsored project?

Answer: Rush or premium fees are not allowable as direct charges to a sponsored project. The department can pay for these fees through a departmental account.

Question: Can I charge CU Boulder internal visa processing fees to a sponsored project?

Answer: Internal fees are not allowable as direct charges to a federal award. In the event of a non-federal award, allowability is determined by the sponsor.

Question: Can I charge visa fees for a spouse to a sponsored project?

Answer: Unless the spouse is directly involved with work on that sponsored project, visa fees for spouses are not an allowable expense to sponsored projects.

Question: I have a postdoc who is here on a J-1 visa and is transitioning to an H-1B visa. May I charge the costs of the new H-1B visa to a federal award?

Answer: No. Only those visa costs associated with the initial recruitment may be direct charged to a federal award.

Question: I am traveling outside of the country to attend a sponsor-approved conference. Entry into this country requires a visa. Can I charge this visa cost to my sponsored project?

Answer: Yes, this visa cost is an allowable travel charge to the sponsored project.

Question: I have an international collaborator that needs to travel to CU Boulder for five days to discuss a sponsored project. Since they are coming for a business purpose, should this be purchased on a B-1 visa or should I use a different type of visa?

Answer: This would not be considered a recruiting cost; visas for collaborators may be allowable as travel costs. Contact the [Office of International Students and Scholars](#) for more information on appropriate visa types.