

UNIVERSITY OF FLORIDA

PROCEDURES FOR SECURING APPROVAL TO DIRECT CHARGE CLERICAL AND ADMINISTRATIVE SALARIES AND/OR OTHER CHARGES WHERE DIRECT CHARGES ARE AN EXCEPTION UNDER THE UNIVERSITY OF FLORIDA'S COST ACCOUNTING STANDARDS (CAS) POLICIES

<http://fa.ufl.edu.cg/>

I. Who is Responsible for CAS Compliance?

It is the principal investigator/program director's responsibility to assure compliance with the University's policies regarding the Cost Accounting Standards (CAS). Faculty and staff may contact the Division of Sponsored Research (DSR) at 392-1582 and/or the Contracts and Grants office at 392-1235, extension 614, for assistance with CAS questions. Further assistance in interpreting and complying with the CAS policies and/or assistance with budget development is available in the DSR and colleges that have a research office such as the Institute for Food and Agricultural Sciences (IFAS), the College of Engineering (EIES), and College of Medicine (COM).

II. What is the College's Responsibility for CAS Compliance?

The dean's office in each college is responsible for reviewing and rejecting or agreeing to requests for exceptions to the University's CAS policies using a **Justification Document to Support an Allowable Direct Charge** form. The principal investigator and department chair or center director must also sign the form. The sponsored research offices in IFAS, EIES and COM have been authorized to review and reject or agree to the request for an exception on behalf of the college dean in those respective colleges. Requests for exceptions from the University's CAS policies must have all the required signatures prior to forwarding to the DSR for institutional review and approval. Colleges are responsible for the payback of disallowed funds and non-compliance penalties related to audit exceptions.

III. What the Division of Sponsored Research (DSR) Reviews.

Preaward requests for exceptions to the University's CAS policies are processed in the **Proposal Processing** office in the DSR. When a proposal is received in the Proposal Processing office, one of the items a Senior Grants Specialist will review on the proposal application is the budget. If there are direct costs which do not appear to comply with the University's CAS policies, the Senior Grants Specialist will contact the principal investigator and/or college research office to inform him/her of CAS policies and request that the budget be revised to meet the University's standards for compliance.

To assist faculty, the Proposal Processing office will, when possible, revise the budget on behalf of the principal investigator and exclude those proposed expenditures not appropriate as direct charges or assist with revising the written budget justification to demonstrate compliance. However, often it is the case that the proposals are submitted to a funding agency with no review by the DSR, as the principal investigator did not bring the proposal to the DSR in time for adequate review prior to the sponsor's application deadline. When a principal investigator believes that the direct charges are appropriate for the proposal budget, the DSR requires completion of a **Justification Document to Support an Allowable Direct Charge** form. Review of the requests for exceptions, and approval or denial of requests, shall be completed by an authorized institutional representative in the DSR.

Post award requests for exceptions to the University's CAS policies are processed through the **Award Administration** office in the DSR. This request is made prior to funding of the award or as expenditures

are determined by the Contracts & Grants office to be in possible violation with the University's CAS policies. The Award Administration office will review the budget to ensure compliance with CAS and will also provide assistance to the principal investigator in determining compliance with CAS policies on federal awards. Review of the requests for exceptions, and approval or denial of requests, shall be completed by an authorized institutional representative in the DSR.

IV. What is Reviewed by Sponsored Research and Contracts & Grants Offices?

In order to comply with OMB Circular A-21 and the Cost Accounting Standards Board's cost accounting standards, the University of Florida has established a policy for charging costs to federally sponsored projects. The policy and implementation guidelines for charging costs directly or indirectly on federally sponsored projects is on the web located at <http://fa.ufl.edu/cg/>

V. How are Requests for Exceptions to CAS Policy Processed?

On new federal proposals, a principal investigator may request an exception to the CAS policies by submitting a **Justification Document to Support an Allowable Direct Charge** form to the DSR at the time the proposal is sent to the DSR (accompanied by the DSR-1 routing form) for institutional approval. A **Justification Document to Support an Allowable Direct Charge** form that accompanies a proposal may refer to the proposal budget justification for a description of the expense item for which the exception is requested. It is the principal investigator's responsibility to provide an accurate and thorough written justification in the proposal budget justification for proposed budget items.

In the case of some renewals, continuations, supplements and budget transfers, the **Justification Document to Support an Allowable Direct Charge** form should be used when a request for an exception was not previously processed with a proposal. A detailed narrative may be attached to the form when the request for an exception to the University's CAS policy requires more space than that which is provided on the form. The Justification Document and narrative must describe how the expense is specific to the project.

The authorized institutional representative in the DSR will review the request to determine compliance with the University's CAS policies. If the request provides appropriate and sufficient justification and the budget item clearly falls into an allowable exception category as described in the University's CAS policies, then the DSR representative will approve and sign the request. Forms are not submitted to the sponsor. Copies of approved requests on pending proposals will be held in the proposal file until such time the proposal is awarded. Copies of approved requests on funded projects will be sent to the principal investigator, Contracts & Grants in Tigert Hall, and the appropriate sponsored research office by the Award Administration office. IFAS and EIES sponsored research offices will forward a copy of the exception approval documentation to their respective Contracts & Grants offices.

VI. What is the Role of Contracts & Grants in Monitoring CAS?

Upon receipt of a Notice of Acceptance (NOA) document from either the DSR, IFAS or EIES sponsored research office, the appropriate Contracts & Grants office will send a letter to the principal investigator alerting him/her to the University's CAS policies. The letter from the appropriate Contracts & Grants provides locations on the web where detailed information regarding the University's CAS policies can be found.

The responsible Contracts & Grants office will review expenses and software items under \$500 for compliance with the University's CAS policies. The Contracts & Grants offices do not review salary expenses for compliance with CAS. On behalf of the University, Contracts & Grants in Tigert Hall shall

prepares a CAS Targeted Expenditures Report which shows Salaries, OPS and Operating Expenditures that are possible violations of CAS. This report is prepared and distributed on a monthly basis to the Department Chairpersons of the respective SAMAS organization codes as a tool for monitoring compliance with the University's CAS policies. Additionally, a 60-Day Notification Letter/Report will be issued to each Principal Investigator whose award has evidence of possible CAS violations and is expiring within a sixty (60) day window.

Using the exception reports, the appropriate Contracts and Grants office or departments will inform the principal investigator of expenditures that appear to be out of compliance with the University's CAS policies. The principal investigator will then be responsible for choosing to (1) remove the expenditures in question or (2) provide a **Justification Document to Support an Allowable Direct Charge** form to the DSR. Please be advised that an expense charged to the 499099 object code (Miscellaneous expenses) may be an allowable direct charge and may not require an exception form. Expenses using the 499099 object code should be reviewed by the respective Contracts & Grants office.

At the conclusion of a project, the appropriate Contracts & Grants office will send a closeout letter to the principal investigator. The principal investigator is asked to certify that all expenditures are in compliance with the University's CAS policies, as well as, the terms and conditions of the grant/contract.