

UNIVERSITY OF NEW HAMPSHIRE

SUPPLIES CHARGED TO FEDERALLY SPONSORED AGREEMENTS

Administrative Responsibility: UNH Vice President for Research and Public Service

Effective Date: July 1, 1995

Issue Date: October 21, 1994 in "UNH Financial Management Compliance Policies and Procedures for Federally Funded Grants and Contracts"; current revision issued and effective on December 14, 1998

Definition: Supplies are non-expendable items costing less than \$1000 and any expendable items used to support the administrative, instructional, research, and public service activities of the institution. Examples of non-expendable supplies are calculators, office furniture, file cabinets, books, and computer software and peripherals when not purchased as part of a system. Examples of expendable supplies are paper, pencils, notebooks, markers, computer disks, and laboratory chemicals.

Policy: In accordance with OMB Circulars A-21 and A-110, any supply charged to a federally sponsored* agreement must meet all four of the following criteria in order to be allowable as a direct charge:

Reasonable: The supply must be necessary for the performance of the sponsored agreement. The cost must conform to all applicable government requirements and be consistent with institutional policies.

Allocable: The supply must be used solely to advance the work of the particular sponsored agreement during its performance period. If the supply benefits more than one project or activity, the cost must be allocated proportionately to each one according to the degree of benefit.

Consistent: The supply cost must be treated consistently as either a direct or indirect cost in like circumstances throughout the institution.

Limitations: The supply item must conform to limitations imposed by the sponsor's policies and the agreement itself.

The cost of supplies from stock or services rendered by specialized institutional facilities or other operations (such as departmental copiers) may be charged directly to sponsored agreements provided the above criteria are met and the costs conform to USNH policy "Establishing a Recharge Center Rate."

Items typically considered to be office, administrative, departmental, or general supplies (such as paper, pencils, notebooks, file cabinets) are normally charged indirectly to sponsored agreements through the institution's federally negotiated facilities and administrative (F&A) cost rate. However, in extraordinary circumstances, such special needs items may be charged directly to the sponsored agreement if they are (1) essential to the project's programmatic or technical purpose, (2) explicitly identified with the project, (3) approved by the Office of Sponsored Research (or NH Agricultural Experiment Station or NH Cooperative Extension for USDA land grant appropriations) to meet the University consistency standard, AND (4) explicitly approved or not specifically disapproved by the sponsor, as reflected in the award budget. Examples: It is allowable to directly charge a sponsored agreement for the cost of paper and envelopes for a project requiring data collection through a mail survey. Paper, pencils, and similar supplies may be allowable direct charges to a workshop or conference grant. Supplies for an administrative office specifically funded as such by the sponsor may be allowable direct charges.

Ref: OMB Circular A-21: C. 2. (Factors affecting allowability of costs.)
C. 3. (Reasonable costs.)
C. 4. (Allocable costs.)
C. 11. (Consistency in allocating costs incurred for the same purpose.)
D. 1. (Direct Costs, General.)
D. 2. (Application to sponsored agreements.)
F. 6. b. (Departmental administration expenses.)
A-21 Appendix A, CAS 9905.502 (Consistency in Allocating Costs Incurred for the Same Purpose by Educational Institutions)
OMB Circular A-110: Subpart C, __.27 (Allowable costs.)
USNH Policy on Unallowable Costs, Procedure 2-60
USNH Policy on Establishing a Recharge Center Rate, Procedure 2-73

* “Federally sponsored” refers to all federal funds, including those received through the State of New Hampshire, other educational institutions, private industry, or other entities.