FISCAL MEMORANDUM 98-14

TO: Administration
Information and Technology Exchange Center
Divisions/Centers

SUBJECT: Administrative and Clerical Salaries and Fringe Benefits on Federal and Federal Flow-Through Contracts

As required by Federal Office of Management and Budgets (OMB) Circular A-21, the salaries and fringe benefits of administrative and clerical staff are normally treated as “Facilities and Administrative” (F&A) or indirect costs.

Supplementary guidance issued by the OMB allows these costs to be treated as direct costs when the nature of the work performed under a particular project requires an extensive amount of administrative or clerical support which is significantly greater than the routine level of such services provided by academic departments. Often, the duties performed by administrative and clerical staff within the TTI research program are more extensive than the duties performed by administrative and clerical staff located in the academic departments. However, the determination as to whether administrative and clerical salaries and fringe benefits can be directly charged to a federal project must be made on a project by project basis.

Additionally, the costs would need to meet all of the following general criteria for direct charging to federal contracts:

C the individuals have responsibilities specifically related to the work of the project and the effort devoted to the project is documented,
C the title(s), percent of effort, and salary amount(s) for the clerical position(s) are included in the proposed budget of the sponsored agreement, and
C the special circumstances requiring direct charging of the services are justified in the proposal, and
C the sponsor accepts the cost as part of the project’s direct cost budget.
The following examples are illustrative of circumstances where direct charging the salaries of administrative and clerical staff may be appropriate:

C Large, complex programs such as general clinical research centers, primate centers, program projects, environmental research centers, research centers, and other grants and contracts that entail assembling and managing teams of investigators from a number of institutions.

C Projects which involve extensive data accumulation, analysis and entry, surveying, tabulation, cataloging, searching literature, and reporting, such as epidemiological studies, clinical trials, and retrospective clinical records studies.

C Projects that require making travel and meeting arrangements for large numbers of participants, such as conferences and seminars.

C Projects whose principal focus is the preparation and production of manuals and large reports, books and monographs (excluding routine progress and technical reports).

C Projects that are geographically inaccessible to normal departmental administrative services, such as seagoing research vessels, radio astronomy projects, and other research field sites that are remote from the campus.

C Individual projects requiring project-specific database management; individualized graphics or manuscript preparation; and multiple project-related investigator coordination and communications.

These examples are not exhaustive nor do they imply that direct charging of administrative or clerical salaries are always appropriate for these situations. When charging clerical or administrative costs directly, all such costs incurred for the same purpose in like circumstances must be consistently treated as direct costs for all activities.

The TTI RDO staff will assist you to ensure that the necessary criteria and procedures are followed during the proposal process to enable these items to be charged directly to federal contracts.

TTI and the Texas A&M Research Foundation are currently reviewing all directly charged administrative and clerical salaries on federal contracts and ensuring that a budget justification form exists on each contract. If you are sent a justification form from either TTI or the TAMRF, please complete and return it to the requestor at your earliest convenience.

If you have any questions or concerns, please contact Ms. Susan Adams (845-9862), Ms. Anna Jo Mitchell (845-9854) or Ms. Janice Reudelhuber (845-8141).

Don Bugh
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