January 29, 1998

FISCAL MEMORANDUM 98-11

TO: Administration
    Information and Technology Exchange Center
    Divisions/Centers

SUBJECT: Procedural Changes for Purchasing Postage and Office Supplies on TTI Research Projects

Effective September 1, 1997, additional dollars were allocated to the TTI “9000” overhead accounts (SL’s 19___ ___) to cover expenditures for “routine” postage and office supplies which can no longer be charged directly to research accounts (SL’s 4___ ___).

Postage and office supplies may be charged directly to research contracts if all of the following conditions exist:

• the project has a special need for the item or service that is beyond the level of services normally provided;

• the costs can be specifically identified to the work conducted under the project and are appropriately identified;

• the costs are specified in the proposed budget of the sponsored agreement, and the special circumstances requiring direct charging are justified in the proposal¹;

• the sponsor accepts the cost as a part of the project’s direct cost budget (i.e., does not specifically disapprove the cost in the award or other notification to the Institute).

¹ If special circumstances exist, the TTI Research Development Office will assist you to ensure that the procedures are followed during the proposal process to enable these items to be purchased directly.
Postage

_TTI Business Office Form 8464 is Required When Postage is Purchased on Research Accounts (SL’s 4_ _ _ _ _)_

Routine postage must be purchased on overhead SL’s 19_ _ _ _ unless special circumstances exist that enable the direct charging to research SL’s 4_ _ _ _ _. When using the TTI Mail Room for the purchase of postage, the enclosed TTI BO Form 8464 must be completed and attached to the items to be mailed. The form, located at http://ttinet.tamu.edu/fiscal_services/forms/8464.xls, must also be completed for direct purchases of postage on research accounts and attached to the voucher paying for the postage. In either case, the form will serve as documentation that special needs exist and will enable the identification of contract research mailings when questioned by sponsors or auditors.

Examples of special circumstances include, but are not limited to, postage for mailing a survey or excessive postage costs that are specified in a sponsored agreement or one of its tasks.

- The mailing of progress reports is considered routine unless the contract requires bulk mailing or mass distribution to several persons or locations.
- Routine postage does not include UPS, Airborne, or other overnight mail services. These items will continue to be charged directly to the appropriate research project. *Overnight services should not be used to circumvent charging routine postage to overhead accounts.*

Office Supplies

_A Statement is Required in the Description Section of Purchase Vouchers for Office Supplies Purchased on Research Accounts (SL’s 4_ _ _ _ _)_

Routine office supplies include pens, paper clips, notepads, binders, letter openers, staples, staplers, scissors, tape, tape dispensers, calculators, and other items that are not directly assignable to any one account and used on all accounts. These purchases must be made on overhead funds unless special circumstances exist or excessive amounts of the item(s) are required to perform the research service. In either case, all of the conditions listed above must exist and a statement must be included in the description section of the purchase voucher that justifies the purchase on the research account. Example: It is necessary to purchase two hundred binders on this research account because the contract requires the production of two hundred copies of the final report in binders. *If the purchase can be related to a certain task of a contract, the task number should be included.*
Computer Supplies are Appropriate Direct Charges to Research Contracts

Computer software, diskettes, toner, and printer paper are considered computer supplies and may be charged directly to contract accounts if a direct relationship exists.

Summary

Although guidelines exist to determine instances where postage and office supplies may be directly charged to research contracts, a precise definition of routine postage and office supplies does not exist, leaving many gray areas as to what items may be appropriately charged. Most often, the determining factor is the purpose of the expenditure and its direct relationship to the research project, rather than the dollar amount.

If you have any questions related to expenditures on contract research accounts, please contact Ms. Janice Reudelhuber at 845-8141 or Ms. Anna Jo Mitchell at 845-9854.

Don Bugh
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Enclosure

DWB/AJM/cm