Uniform Guidance Requirements – Administrative & Clerical Salaries

The new Uniform Guidance that determines financial policy for all federal grants and cooperative agreements clearly outlined when administrative and clerical salaries are allowed to be charged to a federal award. The Uniform Guidance states that salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these cost may be appropriate only if all of the following conditions are met:

1. Administrative or clerical services are integral to a project activity;
2. Individuals involved can be specifically identified with the project or activity;
3. Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency; and
4. The costs are not also recovered as indirect costs.

Integral implies that the work required is significantly above the normal duties required of the administrative or clerical staff member. This would normally be expected to be 15-20% or greater of their effort. Routine duties include purchasing items, paying invoices, preparing financial reports and reconciling funds. These should not be charged to federal awards. For more information and examples, please refer to http://www.ouhsc.edu/financialservices/GC/documents/PolicyonDirectChargingofExpenditures.pdf.

Stipend vs Salary

For most people there isn’t a distinction between salary and stipend. It’s just a payment method. For the federal government, however, there is a distinction. A stipend for federal purposes is a payment to cover cost of living expenses while students/faculty pursue full-time research. Often these funds are exempted from taxable income as in the case of NRSA Fellowships. If a person receives funds as any type of compensation for services performed that benefit the University directly (even if it benefits the student/employee as well), then the payment must go through Payroll. If the payment type will be a stipend, then it must be budgeted in the stipend category and paid through Accounts Payable. If the payment goes through Payroll, then it must be budgeted as Salary. Rebudgets removing funds from the Stipend category must be sent to the sponsor for approval and cannot be approved internally.