

## Consistent Treatment of Costs

### ***Purpose***

The purpose of this document is to define departmental costing practices for federal grants and contracts to assure Tulane University is in compliance with all applicable federal and state laws.

### ***Scope***

This document and the applicable procedures apply to all departments at Tulane.  
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### ***Definitions***

**Direct Costs** are costs (e.g. salaries, fringe, supplies/services, travel, equipment, other, etc.) that can be identified specifically with a particular activity or any costs that can be directly assigned to such activities with a high degree of accuracy. This includes sponsored projects, instructional, and patient care activities. When determining a cost as a direct cost, care should be taken to ensure that there is a direct benefit to the activity.

**Indirect Costs** (synonymous with Facilities and Administrative Costs) in the Office of Management & Budget Circular A-21 (OMB Circular A-21) are those costs that are ordinary and routine and incurred for common or joint objectives and cannot be readily and specifically identified with a specific activity. These costs are allocated to the direct activities through the use of the indirect cost rate.

**Consistent Treatment** is defined as handling similar costs in the same manner as either a direct or indirect charge. Any cost treated as a direct cost to federally funded awards must also be direct charged to other institutional activities. If a cost is identified as an indirect cost it may be charged as a direct cost if it has characteristics that would unfairly burden the indirect cost area. Direct costs that are allocated charges must be allocated using a reasonable method that is consistently followed. All departments must treat like costs similarly.

**Like Costs** are groupings of costs with similar characteristics and are either direct or indirect.

**Off-Campus activities** are those performed in facilities not owned by the institution and to which rent is directly allocated to the project(s).

### ***General Guidelines***

This document provides the general guidelines for Tulane. More specific explanations can be found in the Tulane costing procedures where the major expense items are addressed. The procedures generally follow the A-21 definitions. The following is a list of indirect activities that are the largest areas of concern and should generally not be charged directly to a federal project.

- General Departmental Administration
  - administrative and clerical salaries
  - office supplies
  - postage
  - telephone setup charges and local telephone costs
  - memberships
- Contract and Grant Administration
- Personnel activities
- Accounting & Budgeting activities
- Filing
- Processing vouchers
- Routine travel planning
- Routing data entry
- Routing telephone answering
- Newsletter/brochure preparation
- Processing and tracking routine purchase orders
- Maintaining data bases
- Typing of applications and awards

The following is a list of activities that may be charged directly to a federally sponsored project if approved by the funding agency and can be specifically identified to the project or activity.

- Administrative activities beyond the routine (e.g., working on a mass mailing and associated postage expenses)
- Administrative activities for program project grants or for large, complex programs, such as General Clinical Research Centers
- Administrative activity for projects that are geographically inaccessible to normal departmental administrative services, such as the Primate Center or overseas projects
- Project administrators performing extraordinary and extensive administrative support
- Project specific programming
- Extensive data entry related to a project
- Extensive research data accumulation
- Research data cleaning
- Extensive interviewing related to a project
- Performing lab activities
- Computer research work
- Computer programming
- Conducting a telephone survey
- Creating and maintaining budgets beyond the routine
- Grant related transcribing, beyond the routine
- Writing manuscripts for publication
- Developing materials for publication

- Developing materials for presentation
- Planning and organizing large conferences
- Research training
- Clinical and patient activities
  - Scheduling patient visits
  - Physical exams
  - Blood drawing
  - Height and weight measurements
  - Extraordinary effort in formalizing physician reports