



University of Connecticut Health Center

POLICY NUMBER 2002-39

February 25, 2002

**POLICY: DIRECT COST EXPENDITURES
(RESEARCH/SPONSORED PROGRAMS)**

PURPOSE: To establish guidelines for the charging and approval of direct cost expenditures.

Definition:

The cost of a sponsored project is comprised of both direct costs incident to its performance plus a portion of the Facility and Administrative (F&A) costs of the University of Connecticut Health Center. Direct costs are those costs that can be specifically identified with a particular sponsored project, an instructional activity, or any other institutional activity relatively easily and with a high degree of accuracy. Typical costs charged directly to a sponsored project are the compensation of employees working on the project; employee benefits; the cost of supplies and equipment used in the performance of the project; travel; subcontract costs; service center charges; human subject fees and long distance telephone costs.

POLICY STATEMENT:

1. The Principal Investigator is responsible for the management and administration of his/her award within the constraints imposed by the sponsor and in accordance with University of Connecticut Health Center policy. The Principal Investigator must authorize all expenditures of project funds as per Policy #2002-34 Financial Responsibility.
2. The sponsor must approve certain direct costs as identified in the award, in advance, either as part of the specific grant or contract, or subsequent to the initiation of the project. The Federal government has delegated most of these approvals for grants to the University of Connecticut Health Center under the "expanded authorities" set forth in OMB Circular A-110. The University of Connecticut Health Center has further delegated this authority to the Principal Investigator, subject to his/her providing and/or maintaining documentation of the appropriateness of the expense in conjunction with the project, and having applied the factors of allowability, allocability, and reasonableness regarding the cost prior to processing the expenditure. For Federal contracts and non-Federal awards, prior approvals are often required for certain direct cost expenditures, and it is the Principal Investigator's responsibility to ensure that such approvals are obtained, in writing, from or through the Grants and Contracts Office before funds are committed.

Dan Upton (signed)
Chief Financial Officer

4/10/02
Date

Richard Berlin, MD (signed)
Associate Dean for Research/Planning & Coordination

4/8/02
Date

Peter Deckers, MD (signed)
Executive Vice President for Health Affairs

4/10/02
Date

Replaces: NEW POLICY