

# UConn HEALTH

**POLICY NUMBER 2002-39**  
**November 8, 2016**

**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 program is comprised of both direct costs incident to its performance plus a portion of the Facility and Administrative (F&A) costs of UConn Health. Direct Costs are those costs which can be specifically identified as allocable to a particular sponsored program, an instructional activity or any other institutional activity with relative ease and with a high degree of accuracy. Typical costs charged directly to a sponsored program 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 (PI) is responsible for the management and administration of his/her award within the constraints imposed by the sponsor and in accordance with UConn Health [Policy 2002-34: Financial Responsibility](#). The PI must authorize all expenditures of project funds as per the policy.
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. Consistent with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”, 2 CFR §200.308), some federal awarding agencies have waived certain prior written approvals, including: a) incurring project costs 90 calendar days before an award is made, b) one-time no cost extension for up to 12 months, and c) carry forward of unobligated balances to subsequent periods. The PI is responsible for providing and/or maintaining documentation of the appropriateness of the expense in conjunction with the project, and applying 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 PI’s responsibility to ensure that such approvals are obtained in writing from or through Sponsored Program Services before funds are committed.

Jeffrey Seemann (Signed)

3/6/17

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**Jeffrey Seemann, PhD**  
**Vice President of Research**

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**Date**

Andrew Agwunobi (Signed)

3/9/17

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**Andrew Agwunobi, M.D., M.B.A.**  
**CEO, Executive Vice President for Health Affairs**

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**Date**

**New Policy: 2/25/02**  
**Revised: 11/8/16**