

## MATERIALS, SUPPLIES AND EXPENDABLE EQUIPMENT ON SPONSORED PROGRAMS

<i>Topic</i>	<i>Category:</i>	<i>Policy No:</i>	<i>Effective Date:</i>	<i>Page No:</i>
<b>Sponsored Award Administration Management</b>	<b>Expenditures</b>	<b>5.100.09</b>	<b>12/26/2014</b>	<b>Page 1 of 2</b>

**Purpose:** To provide guidance when it is appropriate to treat materials, supplies and expendable equipment as a direct cost on sponsored programs.

**Policy:** 1. It is the policy of the Boyce Thompson Institute for Plant Research (BTI) that materials, supplies and expendable equipment should normally be treated as Facilities & Administration (IDC) costs.

2. Direct charging of materials, supplies and expendable equipment may be appropriate when a major project or activity has a special or unique need for such supplies that clearly differs from the normal use of these items by other activities of BTI.

3. A major project or activity is defined as a large sponsored award which may require a larger than normal amount of materials, supplies and expendable equipment.

4. The scope of work for a project may require the use of office supplies, such as projects involving extensive data accumulation, analysis and entry, surveys, cataloging, searching literature, and reporting.

5. The use of the materials, supplies, and expendable equipment must be significantly greater than the routine level of such items provided by departments and must be used specifically for the technical purposes of the project rather than to support administrative or clerical efforts.

6. Materials, supplies, and expendable equipment may be directly charged only when they meet all of the following criteria:

- 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 documented.
- The costs are specified in the proposal budget of the sponsored agreement, and the special circumstances requiring direct charging are justified in the proposal.
- The sponsoring agency accepts the costs as part of the project's direct cost budget.
- The sponsoring agency does not specifically disapprove the costs in the award or through other notifications to BTI.

7. If materials, supplies, and expendable equipment costs meet the conditions for direct charging, but were not included in the approved budget of the sponsored agreement, they may be charged directly to the agreement under the following conditions:

- When BTI has re-budgeting authority under federal regulations or the terms of the sponsored agreement
- The charges are justified and approved by the Business Office.

## ***POLICY***

### **MATERIALS, SUPPLIES AND EXPENDABLE EQUIPMENT ON SPONSORED PROGRAMS**

<i>Topic</i> <b>Sponsored Award Administration Management</b>	<i>Category:</i> <b>Expenditures</b>	<i>Policy No:</i> <b>5.100.09</b>	<i>Effective Date:</i> <b>12/26/2014</b>	<i>Page No:</i> <b>Page 2 of 2</b>
--	---	--------------------------------------	---	---------------------------------------

- The justification for the change to direct charging must be in writing and provide the same information that would have been provided to the sponsoring agency in the proposal budget, and must explain why the costs were not included originally.
- Approval of these requests will be given when the Business Office is satisfied that the sponsoring agency would have approved the costs.

8. For instances when materials, supplies, and expendable equipment costs are directly charged to a sponsored award, the following must be included in the proposal:

- When these costs exceed \$1,000, the principal investigator / project director must write a justification statement regarding the items that will be required and why they fit the criteria outlined in this Policy.
- The costs must be specifically identified in the budget.
- The costs in the budget must be approved by the Business Office, in advance, before proposal is submitted to the sponsor.