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I. Flow Chart for Proposals

**Preparation of proposal by Principal Investigator (PI)**
- Select likely source(s) of support
- Include work statement, key personnel, budget, and description of facilities
- Attach summary Form GC-1 and route for internal review and approval
  - Follow sponsor guidelines
  - Follow UW guidelines (GIM 1)

**Review by Department Chair**
- Academic merit
- Consistency with departmental goals
- Potential commitment of department resources
  - Retain copy

**Administrative review by Office of Sponsored Programs**
- Fiscal implications and conformance with University and sponsor policies
- Assure review by all concerned departments, colleges/schools, and other administration units and committees, as appropriate

**Review by College/School Dean**
- Academic merit
- Consistency with college/school goals
- Potential commitment of college/school resources
  - Retain copy

**Approval of proposal by OSP and transmittal to Sponsor by OSP or by PI.**

**Proposal pending until award or notice of denial is received from sponsor. Any negotiation of terms of award is handled by OSP in consultation with the PI and others, as appropriate.**
II. Flow Chart for Awards

University of Washington
Office of Research
Office of Sponsored Programs

Award received by Office of Sponsored Programs (OSP) from Sponsor.

Complete file transmitted from OSP to Grant and Contract Accounting (GCA) with authorization to establish (or continue) account subject to terms of award.

GCA informs PI of account number and title assigned, and provides selected standard attachments to highlight pertinent University and sponsor policies.

Award reviewed by OSP in consultation with Principal Investigator (PI) and other concerned persons/offices, as appropriate, and distributed to PI, Chair, and Dean.

Satisfactory awards are signed for the University (if required) and reported to the Board of Regents for final acceptance.

Project proceeds under direction of PI except that PI is assisted in fiscal aspects by monthly budget status reports from GCA and selected monitoring of expenditures by parent department and GCA.

At conclusion of project, sponsor generally expects a final technical report (prepared by PI) and a final fiscal report (prepared by GCA). Periodic progress reports are sometimes required by the sponsor.

March 1994
III. Request for Approval of Application for Grant or Contract (eGC-1)

System to Administer Grants Electronically (SAGE)

Access SAGE online
Access the online SAGE training/practice site

A look at the online SAGE training system
IV. GIM 10: Significant Financial Interest Disclosure Policy

Access full text of GIM 10

V. Grants Information Memorandum (GIM)

Access Introduction and Table of Contents for all GIMs
VI. Grant and Contract Guide

A look at the online Researcher’s Guide
VII. OSP Home Page

Access this web page.

Office of Sponsored Programs

OSP HOME

Office of Sponsored Programs (OSP) is a service unit within the Office of Research that supports faculty members in obtaining external funds.

The OSP website is tied closely with the Researcher's Guide and various administrative office web sites, such as Human Subjects Division (HSD), Grant & Contract Accounting (GCA), and others. Get a complete description of other research related offices.

How can the OSP website serve you better? OSP welcomes your feedback!

- Status Checker
  Check the status of your award

- Critical Issues
  Grants.gov at the UW
  Export Control Regulation

- OSP News
  with policy updates
  New Payroll Load Rates Posted 06/04/07
  Memorial Day & ERA Commons Viewing Window (Update) 05/25/07
  UW Policy Affected by State Ethics Act Amendment 05/23/07
  NIH & Grants.gov -- Holidays and the Application Viewing Window 05/22/07
  How to Survive the June 5th Grants.gov Submission Deadline 05/09/07
  National Institute of Standards & Technology (NIST) - Advanced Technology Program 2007 05/08/07
  Changes to ERA Commons and eSNAP Applications 05/04/07
  Summary Instructions: Life Sciences Discovery Fund (LSDF) Applications 05/04/07
  SAGE Training - Do's and Don'ts of Attaching Documents to eGCIs in SAGE 04/25/07

A look at the OSP home page.
VIII. **Subcontracts for Research: Excerpts from GIM7**

- Refer to GIM7.
- Collaborative research where the cooperating institution’s (subcontractor) proposal is included in UW proposal.
  - Get approval of subcontractor’s authorized official prior to submitting UW proposal.
  - When UW award arrives, do requisition soon and send to OSP for subcontract preparation.
- Subcontract checklist (see next page).
UW Subcontract (Outgoing) Administrative Checklist

1. Department/PI obtain Contractor’s proposal (work scope and detailed budget) as signed by an authorizing business official. Include Contractor’s proposal in UW proposal prior to sending GC-1 to OSP.

   Note: If Subcontract was not contemplated until after the UW proposal is funded, obtain proposal from Contractor and route to Michael Blackwell, Subcontract Administrator in OSP. Sponsor approval may be needed depending on award terms and conditions.

2. Department/PI initiate a Purchase Requisition (PR) using object code 03-62, after award is received and account number issued.

3. Copy of the PR given to the OSP Subcontract Administrator by Purchasing for preparation of the Subcontract. Minimum two weeks processing time due to heavy volume, negotiation of terms, cost analysis of budget, collection of audit report, etc.

4. Subcontract Administrator delivers Subcontract to UW Purchasing for execution and transmittal to Contractor. Minimum three days processing time.

5. Subcontract is reviewed and signed by Contractor and returned to Purchasing. Generally this takes a month or so to process.

6. Purchasing releases the Subcontract award to Payables Administration. Minimum three days processing time.

7. PI and Department administrator reviews invoices at least quarterly, no more frequently than monthly. Final invoice from Contractor due 60 days following termination date.

8. Amendments? Department/PI send a written memo or e-mail (mikeb@u.washington.edu) to the Subcontract Administrator requesting the relevant changes, e.g., no cost extension, supplemental funding, work scope add on, and so forth. Once processed, repeat steps 4 through 7 above.

9. OSP is unable to transfer funds to a Contractor automatically. PI and Department must initiate (as noted above) a PR or amendment request and transmit it to the Subcontract Administrator.

Policy Reference: Grants Information Memorandum No. 7, Subcontracts for Sponsored Programs

Prepared: 1/2001
IX.  GIM 9: Advance Budget Number Assignment (Advance Notices)

Attachments:

Attachment A: Memo to Request an Advance Notice (Federal and Non-Industry Sponsors)

Attachment B: Memo to Request an Advance Notice (Industry Sponsor & Clinical Trial Agreements)

Attachment C: Advance Notice Instruction Sheet
### X. Notice to Establish Account Form

**UNIVERSITY OF WASHINGTON**  
**OFFICE OF RESEARCH**  
**GRANTS AND CONTRACT SERVICES**  
**NOTICE TO ESTABLISH ACCOUNT**  

To: Grant and Contract Accounting Office  
From: Grant and Contract Services

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<tr>
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<td>Mos. @</td>
<td>%</td>
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</tr>
</tbody>
</table>

**A. TOTAL CONTRIBUTED SALARIES**

**B. RELATED EMPLOYEE BENEFITS**

**C. OTHER COST PARTICIPATION**  
AMOUNT

**D. INDIRECT COSTS @**  
% OF

**E. TOTAL COST PARTICIPATION**

Distribution: G&A (White and Canary), Principal Investigator (Green), GCS tile (Blue/White)  
ACCOUNT NUMBER
XI.  A-21 Revision, July 1993

"Direct costs are those costs that can be identified specifically with a particular sponsored project ... relatively easily with a high degree of accuracy."

Consistent treatment of costs—“Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs.”

New rules on administrative and clerical staff costs—normally treated as indirect costs.

“The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate where a major project or activity explicitly budgets for administrative or clerical services and individuals involved can be specifically identified with the project or activity. Items such as office supplies, postage, local telephone costs, and memberships shall normally be treated as indirect costs.”
July 13, 1994

MEMORANDUM FOR TERRENCE J. TYCHAN,
DEPARTMENT OF HEALTH AND HUMAN SERVICES

CHARLES PAOLETTI,
OFFICE OF NAVAL RESEARCH

WILLIAM COLE,
NATIONAL SCIENCE FOUNDATION

FROM: Norwood J. Jackson, Jr.
Chief, Financial Standards and Reporting Branch

SUBJECT: Direct Charging of Administrative and Clerical Salaries

The attached interpretation provides guidance on defining the circumstances under which administrative and clerical salaries may be charged directly to Federal sponsored agreements in accordance with the provisions of Section F.6.b. of the July 1993 revisions to OMB Circular A-21, “Cost Principles for Educational Institutions.” This interpretation amends the May 17, 1994, interpretation by adding an additional illustration of when direct charging of salaries of administrative or clerical staff may be appropriate.

If you have any questions, please do not hesitate to contact me or Jack Sheehan.

Attachment
OMB CIRCULAR A-21

TREATMENT OF ADMINISTRATIVE AND CLERICAL SALARIES

Question

Section F.6.b. of the July 1993 revision of Circular A-21 says that the salaries of administrative and clerical staff should normally be treated as indirect costs. This section goes on to say that direct charging of these costs may be appropriate where a major project or activity explicitly budgets for administrative or clerical services and the individuals involved can be specifically identified with the project or activity. What is the intent of this provision and under what circumstances may these costs be directly charged to sponsored agreements?

Answer

This provision is intended to establish the principle that the salaries of administrative and clerical staff should usually be treated as indirect costs, but that direct charging of these costs may be appropriate where the nature of the work performed under a particular project requires an extensive amount of administrative or clerical support which is significantly greater than the routine level of such services provided by academic departments. The costs would need to meet the general criteria for direct charging in Section D.1. — i.e., “be identified specifically with a particular sponsored project… relatively easily with a high degree of accuracy,” and the special circumstances requiring direct charging of the services would need to be justified to the satisfaction of the awarding agency in the grant application or contract proposal.

The following examples are illustrative of circumstances where direct charging the salaries of administrative or clerical staff may be appropriate.

- Large, complex programs, such as General Clinical Research Centers, Primate Centers, Program Projects, environmental research center, engineering research centers, and other grants and contracts that entail assembling and managing teams of investigators from a number of institutions.
- Projects which involve extensive data accumulation, analysis and entry, surveying, tabulation, cataloging, searching literature, and reporting, such as epidemiological studies, clinical trails, and retrospective clinical records studies.
- Projects that require making travel and meeting arrangements for large numbers of participants, such as conferences and seminars.

- Projects whose principal focus is the preparation and production of manuals and large reports, books and monographs (excluding routine progress and technical reports).

- Projects that are geographically inaccessible to normal departmental administrative services, such as seagoing research vessels, radio astronomy projects, and other research field sites that are remote from the campus.

- Individual projects requiring project-specific database management; individualized graphics or manuscript preparation; human or animal protocol, IRB preparations and/or other project-specific regulatory protocols; and multiple project-related investigator coordination and communications.

These examples are not exhaustive nor are they intended to imply that direct charging of administrative or clerical salaries would always be appropriate for the situations illustrated in the examples. Where direct charges for administrative and clerical salaries are made, care must be exercised to assure that costs incurred for the same purpose in like circumstances are consistently treated as direct costs for all activities. This should be accomplished through a “Direct Charge Equivalent” or other mechanism that assigns the costs directly to the appropriate activities.
Mr. Donald W. Allen  
Director  
Grant and Contract Services  
University of Washington  
Seattle, WA 98105-6613

Dear Mr. Allen:

The purpose of this letter is to provide the Office of Naval Research (ONR) implementation of section F.6.b. of Office of Management and Budget (OMB) Circular A-21 concerning administrative and clerical salaries. This section was changed in July 1993 to read:

The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate where a major project or activity explicitly budgets for administrative or clerical services and individuals involved can be specifically identified with the project or activity.

As stated, generally administrative and clerical expenses are treated as indirect costs. The following examples are illustrative of circumstances when the nature of the work performed under a particular award may require extensive amounts of clerical and administrative effort and direct charging of these expenses may be appropriate:

• Large, complex programs, such as General Clinical Research Centers, Primate Centers, Program Projects, environmental research centers, engineering research centers, and other grants and contracts that entail assembling and managing teams of investigators from a number of institutions.
• Projects which involve extensive data accumulation, analysis and entry, surveying, tabulation, cataloging, searching literature, and reporting, such as epidemiological studies, clinical trials, and retrospective clinical records studies.

• Projects that require making travel and meeting arrangements for large numbers of participants, such as conferences and seminars.

• Projects whose principal focus is the preparation and production of manuals and large reports, books and monographs (excluding routine progress and technical reports).

• Projects that are geographically inaccessible to normal departmental administrative services, such as seagoing research vessels, radio astronomy projects, and other research field sites that are remote from the campus.

• Individual projects requiring project-specific database management; individualized graphs or manuscript preparation; human or animal protocol; other project-specific regulatory protocols; and multiple project-related investigator coordination and communications.

These examples are not exhaustive nor are they intended to imply that direct charging of administrative or clerical salaries would always be appropriate for the situation illustrated in the examples. Therefore, when deciding to charge clerical and administrative expense to direct or indirect costs, attention must be paid to assure that costs incurred for the same purpose in like circumstances are treated consistently.

When the initial budget did not contemplate charging of administrative and clerical expense directly, funds may be rebudgeted without prior approval when consistent with OMB Circular A-21 and the examples provided here.

If you have any questions, please contact your cognizant ONR Administrative Contracting Officer.

Sincerely,

ANN STUART
Director
University Business Affairs
XIV. OMB Circular A-21 Revision, May 1996

Changes Affecting the UW

1. Cost Accounting Standards (CAS)
   - Consistency Requirements
   - Disclosure Statement

2. New Equipment Threshold
   - $2,000 for the UW, effective July 1, 1996

3. Fixed Indirect Cost Rate for “Competitive Segment” of award

Also:

   Changed term “Indirect Costs” to “Facilities and Administrative (F&A) Costs”

**NOTE:** *A-21 was revised again in May, 1998, but revisions were just formula changes (Facilities Documentation, Utilities Adjustments, etc.) affecting rate calculation for the future.*
XV. OMB Circular A-21 Revision, May 1998

Exhibit C

Examples of “major project” where direct charging of administrative or clerical staff salaries may be appropriate.

Large, complex programs such as General Clinical Research Centers, Primate Centers, Program Projects, environmental research centers, engineering research centers, and other grants and contracts that entail assembling and managing teams of investigators from a number of institutions.

- Projects which involve extensive data accumulation, analysis and entry, surveying, tabulation, cataloging, searching literature, and reporting (such as epidemiological studies, clinical trials, and retrospective clinical records studies).
- Projects that require making travel and meeting arrangements for large numbers of participants, such as conferences and seminars.
- Projects whose principal focus is the preparation and production of manuals and large reports, books and monographs (excluding routine progress and technical reports).
- Projects that are geographically inaccessible to normal departmental administrative services, such as research vessels, radio astronomy projects, and other research fields sites that are remote from campus.
- Individual projects requiring project-specific database management; individualized graphics or manuscript preparation; human or animal protocols; and multiple project-related investigator coordination and communications.

These examples are not exhaustive nor are they intended to imply that direct charging of administrative or clerical salaries would always be appropriate for the situations illustrated in the examples. For instance, the examples would be appropriate when the costs of such activities are incurred in unlike circumstances, i.e., the actual activities charged direct are not the same as the actual activities normally included in the institution’s facilities and administrative (F&A) cost pools or, if the same, the indirect activity costs are immaterial in amount. It would be inappropriate to charge the cost of such activities directly to specific sponsored agreements if, in similar circumstances, the costs of performing the same type of activity for other sponsored agreements were included as allocable costs in the institution’s F&A cost pools. Application of negotiated predetermined F&A cost rates may also be inappropriate if such activity costs charged directly were not provided for in the allocation base that was used to determine the predetermined F&A cost rates.
XVI. GIM 13: New Indirect Cost Rates

Access full text of GIM 13

Attachments:

Attachment A: Summary of Indirect Cost Rates to be Included in Grant and Contract Proposals

Attachment B: Guidelines for Determining Indirect Cost Provisions in Proposals Where Project is Conducted at Two or More Locations

Attachment C: Grant and Contract Relationships with State Agencies

Attachment D: Guidelines for Application of F&A Rates