I. PURPOSE

When charging project related costs to sponsored research award accounts, there are two types of costs: Direct and Facilities and Administrative (F&A) (also commonly referred to as indirect costs or IDC). Cost Accounting Standards (CAS) dictate what costs can be charged as direct costs and what costs must be charged as F&A. There are instances, however, where exceptions to CAS may be granted and costs that are typically considered F&A may be charged as direct costs. This document details the process for requesting a CAS exception.

II. INTRODUCTION

The Cost Accounting Standards (CAS) applicable to educational institutions are defined in the current federal guidelines. CAS is a set of 19 standards issues by the United States government to achieve uniformity and consistency in the cost accounting practices governing the measurement, assignment, and allocation of costs to grants and contracts funded by U.S. federal agencies. One of the standards which applies to universities outlines the consistency in allocating costs incurred for the same purpose. The purpose of this standard is to require that each type of cost is allocated only once and on only one basis (Direct or F&A) to any sponsored agreement or other cost objective. Exceptions to these guidelines are referred to as CAS exceptions.

CAS exceptions are costs that are normally unallowable as a direct cost expense on a federal award because they are covered by F&A reimbursement. In certain situations expenditures normally recovered as F&A may be charged to the direct cost portion of an award (See Emory Policy on Research Facilities and Administration Costs http://policies.emory.edu/7.12). For these costs to be directly charged to an award there must be circumstances that are different than those which would normally classify them as an F&A cost.

The most common CAS exceptions are: administrative and clerical salaries; general supplies, such as paper and toner cartridges; general use equipment, such as printers; postage; local calls; cell phones; membership dues; and subscriptions to journals.

Note: The examples provided below 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.

Examples of where direct charging of administrative costs or clerical staff salaries may be appropriate are as follows:
• Large, complex awards such as Program Projects, research centers, and other grants and contracts that entail assembling and managing teams of investigators from a number of institutions may require charging the salary of a clerical staff.

• Awards 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) may require charging the salary of a clerical staff or purchasing computers and/or supplies.

• Awards that require making travel and meeting arrangements for large numbers of participants, such as conferences and seminars may require charging the salary of a clerical staff.

• Awards which are geographically inaccessible to normal departmental administrative services, such as research vessels, radio astronomy studies, and other research field sites that are remote from campus may require charging the salary of a clerical staff and/or the purchase of computers and supplies.

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

III. PROCEDURES

According to Emory policy on Research Facilities and Administration Costs (http://policies.emory.edu/7.12) each School/operating unit is responsible for reviewing and approving or denying CAS exceptions. The outlined procedures below apply to both pre- and post-award exception requests. It is the responsibility of the RAS to follow each School/unit’s policies (which differ between School/units), with guidance from appropriate School/unit leadership, whether this procedure should be handled during the pre-award process or after award has been granted. In either case, the appropriate RAS personnel (Pre-Award Administrator or Post-Award Administrator) will be assigned to complete an exception request.

1. When a CAS exception is deemed necessary by the Principal Investigator (PI) or RAS personnel, the PI will work with the RAS personnel to submit the CAS exception (refer to School/operating unit policies for submitting CAS exceptions).
   a. The PI will provide a justification of the request that includes an explanation of how the circumstance of this expense differs from those normally expected to be charged to F&A.

2. The RAS personnel will confirm that the appropriate justification is accompanying the request.
   a. The RAS personnel will then review the request and determine whether the request generally meets School/unit guidelines for acceptable CAS exception requests.

3. The RAS personnel will complete a CAS exception form and submit request to the appropriate School/unit (see Associated Document 1. Sample Direct Cost Exception Rebudgeting Form).
   a. Refer to School/unit for operating policies and forms required.

4. The School/unit will review and approve/deny the CAS exception request and notify the RAS personnel.
   a. The CAS Exception process requires approval by the appropriate School/unit. If there is a question or appeal about allowability, the School/unit may address those questions to Emory’s Allowability Panel, which is the final authority on CAS exceptions, by emailing the Associate Vice President for Research Administration with “Allowability Panel Request” included in the subject line. This panel of Emory Administrators will review requests regarding the allowability of charging any cost to a sponsored award.
b. The RAS personnel must monitor the status of the request and follow-up as needed.

5. The RAS personnel will notify the PI that the request has been approved or denied via email.

IV. ROLES AND RESPONSIBILITIES

Principal Investigator (PI):
- Notifying the RAS personnel that a CAS exception request should be submitted
- Providing a justification for the request.

School or Operating Unit:
- Determining School/unit process for review and approval of CAS exception requests
- Reviewing and approving/denying CAS exception requests.

RAS Post Award Administrator:
- Understanding School/unit CAS exception policies and processes.
- Determining if a CAS exception is needed when reviewing budget (during pre-award process), approving expenditures and reconciling awards (during post-award process).
- Reviewing CAS exception requests to ensure that they generally meet guidelines for acceptability.
- Initiating and submitting CAS exception requests and monitoring the progress of such requests.
- Notifying the PI when the request has been approved/denied.

Allowability Panel:
- Determining allowability of requests in instances where the School is unsure or appeal is requested. Note that the School still maintains primary responsibility for approving CAS exception requests.

***********************************************************************END OF SOP***********************************************************************

SAMPLE DIRECT COST EXCEPTION REBUDGETING REQUEST FORM
(REFER TO LOCAL SCHOOL/UNIT GUIDELINES FOR ACTUAL FORM REQUIRED)

NOT FOR DISTRIBUTION OUTSIDE EMORY UNIVERSITY
<table>
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<tr>
<th>Project #</th>
<th>SmartKey</th>
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**Check One:**  
☐ Approval  
☐ Retroactive Approval  
**Budget yr (i.e.: 2010-2011):** **2013-14**

An exception is requested to charge the following types of costs as direct costs:

☐ Administrative/Clerical Salaries/Fringe  
☐ General Purpose Equipment  
☐ Telephone/Pager/Cellular  
☐ Office Supplies  
☐ Postage/Fedex  
☐ Membership Dues  
☐ Alterations/Renovations  
☐ Staff Recruitment/Relocation  
☐ Subscriptions/Books/Periodicals  
☐ Other (                     )

**Amount Requested:** [ ] (Direct Cost Only)

**Explanation of Need.** Outline the unique, extraordinary scientific/technical needs of the project, which necessitate direct charging this type of cost.

*Insert justifications. Remember to include exclusive and non-personal use language (add additional sheets as needed).*

![Insert justifications. Remember to include exclusive and non-personal use language (add additional sheets as needed).]

Certification: I certify that I am familiar with the University policy that these types of costs are not normally appropriate as direct costs. In accordance with A-21 and the Emory Cost Principles Policy, I certify that these costs are extraordinary and are uniquely needed to fulfill the scientific/technical purposes of the project. For retroactive approvals, I understand that if the costs are not authorized or are disallowed, the costs will be transferred to an appropriate non-sponsored ledger account and may not be transferred to another sponsored agreement.

**PI name and signature**

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**Finance review**

**Line item budgeted/funding available?** ☐

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**School approval**

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