OMB Circular A-21

Regulations Guiding Award Costs
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tr>
<td>Allowable</td>
<td>Items not restricted by federal regulations (such as OMB A-21) or the specific grant</td>
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<tr>
<td>Reasonable</td>
<td>Goods or services acquired and amount involved reflect an action a prudent person would have taken</td>
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<tr>
<td>Allocable</td>
<td>Benefits the project that was charged</td>
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<tr>
<td>Treated Consistently</td>
<td>Like costs in similar instances need to be treated consistently throughout the Institution</td>
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Costs that do not meet these standards should not be charged to the project.
Identification with the sponsored work rather than the nature of the goods and services involved is the determining factor in distinguishing direct from F&A costs of sponsored agreements.

What counts is not what is it but how it is used!
Case Study Scenario: Alternate Example

Will you paint my house?

The Deal:
$20 per hour (Direct & Indirect Costs)
+ Paint and supplies

The Invoice:
$1,000 labor (no hourly support)
$250 paint
$42 stamps
$49.95 oil change for truck
$400 new ladder
$125 subscription to “Painters Annual”
A-21 Interpretation Considerations

Key Points to Remember

- Nature of the item means nothing; how it was used dictates how it should be charged!
- Consider this when developing Grant & Contract Budgets and Budget Justifications!
  - Describe how the specific grant benefits
  - Include Allocation Methodology details
    - How were your numbers determined?
    - How do you know how much to include?
UO Roles & Responsibilities
Roles & Responsibilities
*UO Sponsored Project Stakeholders*

**PI**
- Provide PI with support, including review of project expenses, budget, etc.

**Department Grant Administrator**
- Overall responsibility, technical and fiscal oversight. Delegation of authority and posting of cost

**Local Business Offices (Departments, Institutes, & Centers)**
- Provide PIs with support, including review of project expenses, set up accounts, etc.

**Central Offices (ORSA, ORCR, OTT, PCS)**
- Provide information, guidance, training and advise on research policy