

Costing policy

ROWAN UNIVERSITY POLICY

Title: *Costing Policy*

Subject: *Office of Sponsored Programs*

Policy No: *OSP: 2014: 01*

Applies: *University-wide*

Issuing Authority: *Sr. Vice President for Health Sciences*

Responsible Officer: *Vice President for Research*

Adopted: *03/21/2014*

Last Revision: *05/21/2015*

Last Reviewed: *01/22/2014*

I. PURPOSE

To establish a costing policy for the management of sponsored programs funded with federal monies.

II. ACCOUNTABILITY

Under the direction of the Sr. Vice President for Health Sciences, the Vice President for Research shall implement this policy and the Director for the Office of Sponsored Programs shall ensure compliance with this policy.

III. APPLICABILITY

This policy applies to all faculty, employees and students of the University and grants and sponsored projects whose purpose of the project(s) is research.

IV. REFERENCES

[2 CFR 200](#), "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"

V. POLICY

1. Rowan University adheres to 2 CFR 200: "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."
 - a. Cost Principles: The recipient institution is responsible for ensuring that costs charged to a sponsored agreement are allowable, allocable, and reasonable under these cost principles.
 - i. Allowable - The charge is allowed in accordance with federal regulations or the terms of the sponsored agreement.
 - ii. Allocable - The goods or services proposed are directly attributable to the award.
 - iii. Reasonable - The type and amount of the charge is appropriate under the circumstances.
 - iv. Consistently treated - An expense must be treated consistently in similar circumstances
2. Internal controls: The institution's financial management system shall ensure that no one person has complete control over all aspects of a financial transaction.
3. Direct cost allocation principles per 2 CFR 200.405:
 - a. A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:
 - i. Is incurred specifically for the Federal award;
 - ii. Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and

- iii. Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in this subpart.
 - b. All activities which benefit from the non-Federal entity's indirect (F&A) cost, including unallowable activities and donated services by the non-Federal entity or third parties, will receive an appropriate allocation of indirect costs.
 - c. Any cost allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.
 - d. Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required. See also 2 CFR 200.310 Insurance coverage through 200.316 Property trust relationship and 200.439 Equipment and other capital expenditures.
 - e. If the contract is subject to CAS, costs must be allocated to the contract pursuant to the Cost Accounting Standards. To the extent that CAS is applicable, the allocation of costs in accordance with CAS takes precedence over the allocation provisions in this part.
- 4. Documentation. Federal requirements for documentation are specified in 2 CFR 200.300 and specific agency policies.