

USM OFFICE POLICY CONCERNING UNALLOWABLE COSTS ON SPONSORED AGREEMENTS.

I. POLICY STATEMENT

This policy governs appropriate treatment of unallowable cost related to Sponsored Agreements and how to account for them.

II. PURPOSE FOR POLICY

This policy on unallowable costs to Sponsored Agreements is provided to ensure the proper classification of these costs to prevent these costs from being charged to Sponsored funds and being included in USM office indirect cost base.

III. APPLICABILITY AND IMPACT STATEMENT

This policy addresses USM office staff who participate in the post award management of Sponsored Agreements.

IV. DEFINITIONS

Unallowable costs are costs that cannot be included in the direct costs of sponsored agreements or in the institute's indirect cost rate according to OMB Circular A-21.

V. CONTACTS

Direct any general questions about this USM Office Policy to the Office of Academic Affairs. If you have specific questions, please contact the Comptroller.

VI. USM OFFICE POLICY

Unallowable cost on Sponsored Agreements cannot be charged to Sponsored Projects and must be excluded from USM's indirect cost base.

- A. Use: This policy is to be used in the post award management of Sponsored Agreements.
- B. Documentation: The documentation is identified in the associated Unallowable Costs on Sponsored Research section of post award procedures(see VII, A. below for the applicable link).

VII. APPROVAL AND PROCEDURES

- A. Procedures: The procedures associated with Unallowable Costs on Sponsored Agreements can be found at <http://www.usmd.edu/usm/adminfinance/finafair>

VIII. **DOCUMENTATION:** See VII, A. above.

IX. **RESTRICTIONS AND EXCLUSION:** None

X. **RELATED ADMINISTRATIVE POLICIES AND PROCEDURES:** USM Office Post Award Management Guidelines and Procedures.

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