ERSO Documentation Memorandum
The purpose of the ERSO documentation memorandum is to officially record decisions, interpretations or clarifications made at the executive level that will have broad impact on operations within ERSO. Such documentation is to guide future action in order that ERSO operations are consistent across and within teams. Memorandums are assigned an alpha-numeric identifier in sequence based on Key Unit as follows: Executive Office (EO), Human Resources (HR), Payroll (PR), Information Technology (IT), Purchasing Services (PS), Reimbursement Services (RS) and Research Administration (RA).

<table>
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<tr>
<th>Date:</th>
<th>January 5, 2012</th>
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<tbody>
<tr>
<td>Subject:</td>
<td>Major Project and Direct Charging of Administrative Costs</td>
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<tr>
<td>Key Unit:</td>
<td>Research Administration</td>
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<td>Identifier:</td>
<td>RA - 7 Guidance on Major Project and Direct Charging of Administrative Costs</td>
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Background Information

OMB Circular A-21 allows administrative/clerical salaries to be charged directly to federal grants, contracts, and other agreements when the expense is in support of a “major project”—defined as one that requires extensive administrative or clerical support that is significantly greater than the level of such services routinely provided by the department. Exhibit C of Circular A-21 provides the examples of “major projects” where direct charging of administrative or clerical staff salaries and costs may be appropriate.

If a PI believes that a sponsored activity rises to the level of a major project, the PI must indicate this on the Proposal Review Form submitted to SPO and provide a compelling justification for major project status in the proposal’s budget narrative. SPO will review this justification to ensure the PI has made a credible case for this designation before submitting the proposal.

Relevant Policy links:

http://www.spo.berkeley.edu/guide/admincosts.html

http://spo.berkeley.edu/guide/admincosts_majorproject_checklist.html

Guidance for the RSOs:

In the course of discussing proposal preparation and preparing budgets with your faculty and/or researchers, if the RSO senses that the proposed project might involve one of the following factors (i.e., SPO major project checklist), we ask the RSO to bring the circumstance to the Team Lead's attention:
• Number/volume: Will the project involve a large number of subjects or project deliverable (i.e., for example, use large data sets or analyze a considerable number of samples, conference or workshops..etc.)
• Complexity: Will the level, degree, or intricacy of the proposed work require greater oversight or management? Will multiple investigator partnerships or sub-agreement be required?
• Location: Is the project spread across multiple sites requiring a high degree of coordination to succeed?
• Duration: Will the implementation of the project require long term monitoring and/or analysis, the tracking of subjects or research data over time, or meeting sustainability objectives?
• Compliance Issues: Will it be necessary to implement and comply with a large number of human and animal subject protocols?

ERSO Team Leads are familiar with the major project definition, the principles behind ERSO direct charging methodology of administrative costs, and appropriate language to be used to describe the specific activities/tasks (i.e., programmatic/technical activities or above beyond administrative tasks, specific to the project, can be track-able) to be carried out by the administrator to meet the project objectives.

For specific guidance, RSO and Team Lead should refer to SPO Major Project checklist and/or few samples of the ERSO budget justification which were used successfully to justify administrative costs. However, the sample budget justification should be treated as reference only, not as a broiler plate. The budget justification for direct charging of administrative costs should be customized specifically to describe the administrative requirement and activities of the proposed project.