

HARVARD UNIVERSITY



Sponsored Expenditures Guidelines

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I. Introduction

Purpose

This document provides guidance on appropriate budgeting and expenditures of sponsored funds, whether from federal or non-federal sources and whether directed toward research, training, or other purposes.

Note: All federal awards issued after December 26, 2014 must comply with OMB 2CRF2002CFR200 (Uniform Guidance), the basis for this document. Most awards issued before that date must comply with OMB Circular A21 (unless the agency has notified Harvard of adoption of the new guidelines). There are a limited number of areas where the Uniform Guidance differs from previous federal regulations, specifically OMB Circular A-21. These include, but are not limited to, administrative and clerical expenses, direct charges of computing devices, visa costs for recruiting purposes, and expenses relating to fluctuations in exchange rates.

Who Should Use This Guidance

All Principal Investigators and administrators at Harvard University within all schools, units, divisions, University-wide initiatives, and centers who are responsible for budgeting and expenditures charged to sponsored awards must comply with these guidelines.

Key Cost Principles for Federal Awards

This guidance is based on the interpretation of federal regulations, and adherence is required for all federal awards and cost share / companion accounts.

For any costs to be charged directly to a federal award the expense must be:

1. **Allowable** under both the provisions of federal guidance **and** the terms of a specific award
2. **Allocable**: the expense can be associated to a project with a high degree of accuracy
3. **Reasonable**: the cost reflects what a “prudent person” would pay in a similar circumstance

4. Charged **consistently** as direct expense (versus an indirect cost). Note that certain types of projects constitute exceptions to the consistency requirement as referenced in Section II.

An expense is a “direct cost” if that expense can be identified specifically with a particular sponsored project or other activity with a high degree of accuracy. “Indirect costs” (sometimes referred to as facilities and administrative (F&A) costs or overhead), are costs that benefit many activities (e.g., building operations and maintenance, IT expenses, security, administrative personnel such as grant managers, etc.). F&A costs are recovered through the federally negotiated rate. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct expenses or indirect costs.

Non-Federal Awards

Harvard treats all non-federal awards as “different purpose and circumstance” (see section II, “Unlike Purpose and Circumstances Criteria” below); therefore, barring any sponsor or grant restrictions, the grant expenditures fall under general University policies.

However, proper stewardship of non-federal awards, including those from non-US governmental sponsors, requires adherence to these key principles:

1. **Allowable** under Harvard policies and complies with the terms and conditions of the award
2. **Directly benefits the purpose of the award:** that is, the expense can be associated with, and is in support of, the project or program
3. **Reasonable:** the expense reflects what a “prudent person” would pay in a similar circumstance

Expenses on non-federal awards require the careful review of terms and conditions and any other supporting documentation (e.g., approved budget, sponsor guidance) in order to determine appropriateness of charges. Any questionable expenses (e.g., alcohol), if not specifically captured in the approved budget, should be reviewed by the appropriate Harvard or school authority prior to expending funds. Specific sponsor approval may also be required in some cases. School guidance and policies may be more restrictive on questionable expenses than those of the University, and it is important to involve your school contact when determining the allowability of an expense.

Direct and indirect (or overhead) costs on non-federal awards are dictated by the sponsor's policies. Variability among non-federal sponsors' policies and a lack of specificity in policies or award terms may require additional scrutiny and judgment in determining what costs can be charged as direct expenses that may normally be considered indirect costs when associated with federal awards (e.g., rent or space, administrative support staff). It is also important to consider that many non-federal sponsors pay a nominal indirect cost rate and it may be appropriate to direct charge costs that normally would not be direct-charged to a federal award that pays the full indirect rate.

Sponsored Expenditures Questions and the Escalation Process for Disagreements

The Sponsored Research Expenditures Guidance provides general and specific guidance regarding allowability of charges to federal and non-federal awards. There may be situations where a PI and the local department or research administration staff have questions or do not agree on the treatment of specific expenses.

The first step is to seek guidance from your school or unit's research administration staff or group responsible for reviewing allowability of costs. If a school or unit does not have a research administration staff or group responsible for this type of decision making, or if there is a lack of agreement at the school level, the question should be sent to the Sponsored Expenditure Review Committee (SERC) via email at serc@harvard.edu. The SERC is comprised of 5-7 members, including senior members of Harvard OSP and senior school-based research administration staff, and is coordinated by the OSP Director of Cost Analysis and Compliance.

When a question is submitted via email to the SERC, the committee members will all receive the inquiry and will be asked to review it within two business days. If necessary, there will be discussion among the committee members. A written decision will be made based on the majority recommendations of those who respond within the time frame, provided that there are a minimum of 3 responses. The

research administration staff and leadership of the school that posed the question will be included in correspondences, any discussion, and informed of the SERC's decision. Once a determination has been made by SERC, the department and school are expected to follow the decision.

In most circumstances, a response to a question posed to the SERC will be delivered within three business days.

OSP and School-Level Contacts

If you have any questions regarding the allowability of specific expenses please contact:

- Director, Cost Analysis – Judith A. Ryan (OSP)
- Manager of Research, Finance, and Policy Compliance – Rita Bergemann (HMS)
- Director of Sponsored Projects – Paula Cornelio (Wyss)
- Assistant Director Cost Analysis and Compliance – Judy Lo (HSPH)
- Senior Director of Research Finance and Compliance – Nuala McGowan (FAS)
- Senior Director for Research Administration – Tiffany Blackman (GSE)
- Director of Research Administration – Carrie Kachoria (HKS)

II. Cost Principles for Federal Awards

Applicable Federal Regulations

The spending of any funds awarded by the federal government to Harvard is governed by 2CFR200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance, or UG), published by the Office of Management and Budget (OMB). The Uniform Guidance includes four Standards, listed below and promulgated by the Cost Accounting Standards Board, that apply to colleges and universities.

See Appendix C: Related Harvard Policies, Guidance, and Other Resources.

Applicability to Federal Awards

2CFR §200.101

The cost principles in Subpart E and the audit requirements in Subpart F of the Uniform Guidance are applicable to all Federal awards. All Harvard expenditures must comply with Harvard policies and follow Harvard guidelines.

Cost Accounting Standards

2 CFR §200.419

In addition to the Uniform Guidance, Harvard must comply with the Cost Accounting Standards (CAS) located in 48 CFR §9905.501, §9905.502, §9905.505, and §9905.506. The purpose of the CAS is to ensure consistency in:

- Estimating, accumulating, and reporting costs (CAS 501)
- Allocating costs incurred for the same purpose in like circumstances (CAS 502)
- Accounting for unallowable costs (CAS 505)
- Cost accounting periods (CAS 506)

“Unlike Purpose and Circumstances” Criteria

The CAS consistency standard (CAS 502) states that costs must consistently be treated as direct expenses or indirect costs when the costs are incurred for similar purposes and circumstances. Costs normally considered indirect costs – e.g., administrative salaries, postage (excluding HSPH) and express mail, telephone, copier expenses, general office supplies, and space-related costs – may be allowable as direct costs if they meet **all** three of the following criteria:

1. An unlike circumstance exists in which a sponsored project requires resources beyond those normally expected for a typical research project;
2. The cost can be associated with the specific sponsored project with a high degree of accuracy;
and
3. The awarding agency has approved the cost, if significant, as a direct expense in the awarded budget. If the expense was not included in the awarded budget, sponsor approval should be obtained prior to expenditure for any significant expense.

III. Documentation and Justification for Expenditures

Documentation is required to justify any expense charged to a sponsored award. The backup for expenditures should be adequate to support and justify that:

- The expense provides a direct benefit to the award
- The expense complies with any award restrictions and approval requirements outlined in the terms and conditions of the award
- If needed, the expense qualifies as “unlike purpose and circumstance” on a federal award

Special documentation is required under certain circumstances. Please refer to specific sections for individual requirements.

Documentation and justification must be maintained according to [Research Records Retention & Data Management](#) on the Office of the Vice Provost for Research website.

IV. Treatment of Specific Types of Expenses for Federal Awards

This section provides guidance for some of the more common types of costs associated with federal research expenditures. Refer to the Cost Principles in Subpart E, §200.400-200.475 of the Uniform Guidance for the full listing of types of costs. Please contact your school research office or OSP with any specific questions.

In general, there are three categories of expenses:

- **Direct Expenses** – These expenses can normally be directly charged to federal awards. However, the terms and conditions of the sponsored award must be reviewed prior to determining the appropriateness of expenses for each individual project.
- **Indirect Costs** – Sometimes referred to as facilities and administrative (F&A) costs or overhead, these expenses may not be charged as direct expenses to federal awards unless the costs meet the “Unlike Purpose and Circumstances” Criteria noted in Section II.
- **Unallowable Expenses** – These costs may not be charged to a federal award or federal cost share account either as a direct charge or indirectly as recovered through the F&A rate.

Administrative and Clerical Salaries

2 CFR §200.413(c)

See the [Administrative and Clerical Salaries on Federal Awards Policy](#).

Definition: Administrative and clerical personnel provide non-technical support services that benefit departmental, institute, center, or school activities. The services of these individuals could include: clerical support, financial management, procurement of materials and services, budget and planning, and personnel management.

The salaries of administrative and clerical personnel are normally treated as an indirect cost unless they meet the definition of “unlike purpose and circumstance” and are integral to the project. As stipulated in the Uniform Guidance, direct charging of administrative salaries is allowable when **all** of the following 4 conditions are met:

1. Administrative or clerical services are integral to a project or activity;
2. Individuals involved can be specifically identified with the project or activity;
3. Such expenses are explicitly included in the budget or have the prior written approval of the federal awarding agency; **and**
4. The costs are not also recovered as indirect costs.

Advertising and Public Relations

2 CFR §200.421

Definition: The costs of advertising media, including magazines, newspapers, radio and television, direct mail, exhibits, electronic or computer transmittals, and related administrative expenses.

Advertising/media expenses are only allowable as a direct charge if used solely for **one** of the following uses:

1. The recruitment of personnel required for performance of a federal award (subject to the requirements in Recruiting section and 2 CFR §200.463);
2. The procurement of goods and services for the performance of a federal award; **or**
3. Program outreach and other specific purposes necessary to meet the requirements of the award.

Alcoholic Beverages

2 CFR §200.423

Alcoholic beverages and related expenses are unallowable costs and can only be charged to a federal award if alcohol is specifically necessary for the aim and scope of the project and the agency has provided specific approval in the award notice or if they are approved in writing by the sponsor.

In order to charge a business meal on a federal award, an itemized receipt should be presented even if the total amount of the bill is less than \$75. If an itemized receipt is not available, use a Missing Receipt Affidavit (MRA), and:

- If the meal(s) did not include alcohol, the traveler must attest in writing that no alcohol was charged, and the entire amount can be charged to the appropriate federal award.
- If the meal(s) did include alcohol and the traveler can attest the alcohol cost in writing, then the alcohol portion of the meal costs, along with the applicable tax and tip, must be charged to a non-sponsored account (using object code 8450). The remainder of the meal costs can be charged to the appropriate federal award.
- If alcohol was included and the traveler **cannot** attest to the alcohol cost, no portion of the meal costs can be charged to a federal award.

Note that travelers using [Concur](#) must attest that no alcohol costs have been included with the reimbursement request. Please refer to your school/tub or local level managing unit policy for additional guidance.

Bad Debts

2 CFR §200.426

Bad debt or uncollected billings, including losses (whether actual or estimated) from uncollectable accounts and other claims, are unallowable and may not be charged to a federal award. Collections and legal expenses related to bad debt are also unallowable.

For treatment of bad debts relating to service center unpaid charges, please refer to the [Academic Service Center Policy](#).

Compensation (Bonuses, Maternity or Parental Leave, Severance)

2 CFR §200.430

Compensation costs are generally allowable as a direct expense when the paid effort provides a direct benefit to the award and when the amount is within the federally allowable limits (e.g., agency-specific salary caps).

Special Considerations:

- Level of compensation may not increase solely due to an increase in available sponsored funding.
- Payments to supplement a fellowship are unallowable on any federal award.
- All Harvard employees must be budgeted as salary and cannot be included as consultants or vendors.

Bonuses

2 CFR §200.430

Incentive compensation paid to faculty or staff can be charged to awards if **all** of the following criteria are met:

- Payment is part of a performance based bonus program available to all employees, or groups of employees, at the University or a specific school or tub;
- The overall compensation to the individual is reasonable; **and**
- The bonus program is consistently applied and allocated based on proportional benefit.

Maternity or Parental Leave

No explicit federal guidance exists for maternity leave for employees; refer to the [Parental Leave Guidance](#).

The eight weeks of short-term disability pay associated with maternity leave is paid directly through short-term disability and therefore may not be charged to any sponsored award. The four weeks of parental leave can be charged as paid time off to a grant in proportion to the normal percentage of effort associated with the project(s). The thirteenth week can be taken as vacation time or personal time, per Harvard University policy.

Severance

2 CFR §200.431(i)(1)

Definition: Severance pay is compensation in addition to regular salary and wages paid by an institution to employees whose services are being terminated. Expenses of severance pay are allowable only to the extent that such payments are required by law, or by Harvard-employee agreement, or by established

policy and available for specific categories of employees or all employees at Harvard. Refer to the Harvard University policy [Severance on Sponsored Awards](#).

Under certain circumstances, severance pay can be charged to sponsored awards. The exact criteria are listed in the policy.

Note for Harvard T.H. Chan School of Public Health: Standard severance payments are incorporated into the school's supplemental fringe benefit rate and are therefore not allowable as direct expenses on sponsored awards.

Communication Expenses (cell phones, internet)

2 CFR §200 Appendix II

Due to the difficulty in identifying portions of a communications bill to a specific award or other university activity with a high degree of accuracy and certainty, communication expenses are generally included in the indirect cost calculations and treated as indirect costs. Only when a communication expense meets the "Unlike Purpose and Circumstances" Criteria noted in Section II can they be directly charged to a sponsored award.

Communication expenses charged as indirect costs include the following:

- Charges for landline telephone services
- Cell phones, smart phones, or other personal digital assistant, "PDA," device charges
- On-campus or home Internet access or network connectivity fees

What communication costs can be charged as a direct expense?

Communication expenses that can be linked to a specific sponsored project with a high degree of accuracy and are used primarily for the sponsored project may be charged as a direct expense.

Examples of communication expenses that may be charged as a direct cost include the following:

- Itemized long distance telephone charges for communication related specifically to an award
- Communication devices used exclusively for conducting surveys

- Telephones and PDAs used exclusively to manage a multi-site research project
- Dedicated telephone lines set up to receive data feeds from the field or conduct surveys
- Hotel and airline Internet fees during travel related to an award
- Incremental expenses for international coverage for Harvard employees in travel status
- Cell phones in remote locations where communication infrastructure is limited

See the University's [Staff Mobile Phone Policy](#).

Conferences

2 CFR §200.432

A conference fee may be charged as a direct expense if **one** of the following circumstances is met:

- The researcher and /or research team are presenting results of the research obtained during the course of his or her work on the project;
- The researcher can confirm that the purpose of the conference is directly related to that of the award being charged; **or**
- An aim of the award is for the PI to host a conference to disseminate information from the sponsored project.

Conference fees are treated as an indirect cost when the employee attends the conference to gain a general understanding of the topics presented, rather than to receive or present specific information related to a sponsored award. Conference fees that are not specifically related to an award should be charged to a faculty discretionary, departmental, or school account.

Information regarding membership fees associated with conference registrations is found in the Membership section.

Contributions and Donations

2 CFR §200.434

The value (either monetary or in-kind) of donated services and property are unallowable and may not be charged as either a direct expense or an indirect cost.

Depreciation

2 CFR §200.436

Depreciation should not be charged directly to an award. Harvard is compensated for the use of its buildings, capital improvements, equipment, and software projects capitalized in accordance with the Generally Accepted Accounting Principles (GAAP) through the F&A rate.

Depreciation may be included in service center rates in accordance with the [Academic Service Center Policy](#).

Equipment

2 CFR §200.439, §200.33, §200.452

See the [Appendix A of the Financial Management of Property, Plant and Equipment Policy](#) for more information.

Equipment, including fabrications, with a total acquisition cost of \$5,000 or greater is considered capital equipment and may only be charged as a direct expense when it is necessary for the performance of the sponsored award.

- “Special purpose equipment” is equipment that is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include microscopes, genomic sequencers, imaging equipment, and spectrometers.
- “General purpose equipment” is equipment which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, telephone networks, information technology equipment and systems, air conditioning equipment, and reproduction and printing equipment.

General purpose equipment is generally treated as an indirect cost because it cannot be easily linked to a particular cost objective. Equipment types that are typically considered “general purpose” may only be appropriate as a direct expense when the PI is able to justify that the equipment is necessary for the unique scientific/technical tasks of the specific agreement, not already available, and will be initially utilized almost exclusively for the award objectives.

Equipment Repairs

Routine repair and maintenance of general purpose equipment are normally treated as indirect costs. Service, repairs or warranty costs for special purpose equipment dedicated to a sponsored project may be charged directly.

Equipment Purchases at the End of Award

Equipment purchases charged directly to an award must be necessary for performance on the project; therefore, equipment purchases near the end of an award period should have additional scrutiny and may be subject to project-specific justification and/or sponsor approval.

Exchange Rates

2 CFR §200.440

Expense increases for fluctuations in exchange rates can be treated as a direct expense when existing funding is available to cover the difference and there is prior approval by the federal awarding agency.

Fines, Penalties or Settlements

2 CFR §200.441

Expenses resulting from violations (or alleged violations) of, or failure to comply with, federal, state, local or foreign laws and regulations are unallowable. Examples of items that may not be charged to a federal award include:

- Parking ticket or traffic violation
- Regulatory violation fines
- Late returned book fee

In very rare situations, if the expense is incurred as the result of complying with a specific provision of the federal award or with prior written approval from the federal awarding agency, the expense may be directly charged to the award.

Materials & Supplies (Books, Journals, Periodicals and Subscriptions; Computing Devices; Copier Charges and Copy Cards)

2 CFR §200.453, §200.94

General purpose materials and supplies purchased and used by departments for all activities should not be directly charged to federal awards. Examples include copy paper, office supplies, and cleaning materials.

Items purchased specifically for one or more research projects may be charged as direct expenses. If the use of the items is shared among projects or labs, an allocation methodology should be created, documented and periodically reviewed. See [Sponsored Cost Allocation Methodology Guidance](#).

Examples of office supplies that may be charged as a direct expense include:

- Office supplies specifically purchased for a program project or a survey funded by a grant
- Material required for poster or publication preparation (poster board, photographic supplies, color paper for a presentation that is directly attributed to the sponsored project)
- Computing Devices – see section below

Books, Journals, Periodicals and Subscriptions

2 CFR §200.454

Books, journals, periodicals, and subscriptions are normally treated as indirect costs.

Examples of unallowable charges:

- General or reference texts, including medical dictionaries
- Books, manuals, reprints that generally assist the PI in keeping up with his/her field of research
- Publications that provide a general benefit to research and teaching activities

- Subscriptions to journals

These expenditures may be charged as direct expenses only in unusual circumstances. Examples include:

- The book or journal is not available in the library and can be associated specifically with the sponsored award
- The book or journal is available from the library but is utilized so frequently for a specific award that a library copy is not sufficient
- A book contains a specific research technique or information that will introduce efficiencies to the research or improve the quality of results

Computing devices

2 CFR §200.453, §200.94, §200.20, §200.33

Definition: Machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting, and receiving or storing electronic information.

Computing devices that cost less than \$5,000, and are essential and allocable to the performance of an award, may be charged directly either as a purchase or a lease. For computing devices costing greater than \$5,000, systems or equipment fabrications, please see the [Capital Equipment Policy](#).

Examples of computers that can be charged as direct expenses include:

- A laptop specifically needed to record data in field research
- A computer physically attached to another piece of scientific equipment and/or required for collection and analysis of information/data
- A computer used primarily on the designated sponsored award
- A computer that will remain property of the University (and not the personal property of an individual)

Computing devices may be allocated to multiple sponsored awards if the project's portion of the use can be reasonably estimated and is directed by the PI. The expense should be properly allocated to all benefitting activities.

- If a device will be used only in part for an award's activities, the award may only be charged for a portion of the device's expense.
- University-funded activities such as instruction and administration should bear at least their fair share of the acquisition expense.
- De Minimis use of the device for other activities is allowed as long as the device is using the device primarily on the sponsored project(s).

See [Sponsored Cost Allocation Methodology Guidance](#).

Copier Charges and Copy Cards

Copier charges for general administrative support of a project should not be charged as a direct expense.

Copy charges may only be an appropriate direct charge in cases when **both** of the following criteria are met:

- The awarding agency has approved the direct charge in the awarded budget or there is subsequent agency approval. The copy expenses associated with a project are extraordinary and meet the "unlike purpose and circumstance" criteria, **and**
- The copy expenses are an integral part of the specific tasks associated with the sponsored award and can be separately tracked.

Memberships, Dues and Professional Activity Expenses

2 CFR §200.454

Dues and memberships in professional organizations are normally charged as indirect costs because their purpose is more general in nature – i.e., furthering a PI's knowledge in his/her field – and cannot be identified with a high degree of specificity to an individual research project. Membership may be

charged only if it is required for conference attendance where the researcher is presenting his or her research or obtaining, circulating, or distributing information to advance the performance of the project.

Note: the membership fee is allowable as a direct cost to the project if it reduces the overall cost of attending the conference.

Participant Support Costs (excluding training grants)

2 CFR §200.75, §200.456

Definition: Direct expenses for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects.

Participant support costs are allowed if **all** of the following criteria are met:

- The costs are programmatically justified;
- The costs are explicitly included in the budget and the budget is approved or prior written approval is received from the Federal awarding agency; **and**
- The expense does not take indirect costs.

Note: NIH will only allow Participant support costs to be charged if they were approved in the original Funding Opportunity Announcement.

Who is a participant?

A participant is defined as a non-Harvard employee who is the recipient, not the provider, of a training associated with a workshop, conference, seminar, symposium, or other short-term instructional or information sharing activity. Participants are not required to provide any deliverable to the University and they are not subject to Harvard human resources policies (e.g., they cannot be terminated for failure to perform). Participants may include students, scholars, and scientists from other institutions, representatives of private sector companies, teachers, and state or local government agency personnel. Documentation supporting the participants attendance, such as a sign in sheet, must be maintained by

the PI/Department. A person classified as an intern would be paid as an employee and not as a participant, because the intern, while receiving certain training, is also providing services.

What expenses can be included in participant support costs?

Participant support costs include expenditures for items such as the following:

- **Stipend** – A stipend is a set amount of money to be paid directly to the participant in connection with a short-term training activity. Note that short-term means the appointment period approved by the sponsor.
- **Travel** – Travel includes the costs of transportation and associated costs and must follow sponsor guidelines (e.g., US flag carrier, coach class, most direct route) as well as Harvard’s travel policies and guidelines. The sole purpose of the trip must be to participate in the project activity. If a training activity involves field trips, the cost of transportation for participants may be allowable.
- **Subsistence allowance** – The cost of a participant’s housing and per diem expenses necessary for the individual to participate in the project are generally allowed, provided these expenses are reasonable and limited to the days of attendance. Although they may participate in meals and snacks provided at the meeting or conference, participants who live in the local area are not entitled to subsistence payments.
- **Fees** – The fees paid by a participant in connection with meetings, conferences, symposia, or training projects are generally allowable costs. These fees may include laboratory fees, passport or visa fees for foreign participants, and registration fees.
- **Other** – Certain other costs paid on behalf of or to the participant as required for their involvement may be allowable, including training materials, laboratory supplies, and insurance.

*What expenses **cannot** be included as participant support costs?*

Participant support costs **do not** include the following types of payments:

- Honoraria paid to a guest speaker or lecturer
- Conference support costs such as facility rentals, media equipment rentals, conference food or catering services

- Subaward to a provider for multiple training events (i.e., an ongoing contract with specific terms and conditions)
- Agreements with employers (e.g., public school system) to reimburse the employer for the costs related to sending its employee to a conference or workshop. It is recommended that the PI inform participants prior to the initiation of the project about any costs associated with their participation in the project that are not covered.
- Expenses for collaborators to meet at a single destination and discuss a research project's progress and direction. Such expenses should be budgeted under travel or other expenses as allowed by the sponsor.
- An incentive payment to encourage an individual to participate as a human subject in a research study is not a participant support cost and should be budgeted as an "other direct costs" bearing full overhead.

Re-Budget

Per 200.308(c)(5), prior approval is required to transfer funds budgeted for participant support costs to other categories of expenses.

Postage and Express Delivery

2 CFR §200.473

Postage or express mailing expenses are generally treated as indirect costs.

Note for Harvard T.H. Chan School of Public Health: Postage and express delivery specifically associated with individual sponsored awards is treated as a direct cost.

If the expenses are required for a project and can be linked to that specific project, the cost may be charged as a direct expense. Examples of shipping and postage expenses that may be charged as direct costs:

- Shipping specimens to a lab facility for processing
- Postage for surveys
- Shipment of animals for use on a specific project

- Sharing model organisms as required by the terms and conditions on the award
- Shipping research presentation materials for a conference

Professional Service Expenses

2 CFR §200.459, §200.435

Costs of professional and consultant services are allowable as direct expenses when **all** of the following conditions are met:

- The service has been determined as allowable and necessary for the federal award;
- The professional or consultant is not an employee of Harvard; **and**
- The expenses are reasonable in relation to the services rendered (i.e., the service cannot be performed more economically by direct employment).

All Harvard employees must be budgeted as salary and cannot be included as consultants, advisors or vendors.

Retainer fees for professional services must be supported by evidence of bona fide services available or rendered. Any professional service costs related to defense and prosecution in criminal and civil proceedings are unallowable.

Also see the [Statement on Outside Activities of Holders of Academic Appointments Policy](#) and [Independent Contractor Classification Policy](#).

Recruiting Expenses (Short-Term Visas)

2 CFR §200.463

Definition: Expenses associated with the hiring of staff and are not normally allowed as direct charges.

Recruiting expenses, for all potential candidates, can be directly charged when the hiring of the individual is essential to achieving the objectives of the project. In this circumstance, the following costs may be allowed as direct charges:

- The expense of employee recruitment directly related to the project
- Travel expenses of applicants for interviews
- Relocation expenses of new employees (see Relocation Expense of Employees)

Please see the Travel and Related Expenses Section for additional information.

Recruiting costs **not** allowed as a direct expense include:

- Special payments
- Gifts
- Fringe benefits
- Salary allowances incurred to attract professional personnel that do not meet the test of reasonableness

Additionally, where recruitment costs incurred have been funded in whole or in part as a direct expense on a federal award, but the newly hired employee resigns within 12 months after hire, Harvard is required to refund or credit the federal share of those recruitment expenses.

Please see the Local Business Meals section for additional information.

Short-Term Visas for Recruiting

2 CFR §200.463

Short-term travel visa expenses, in certain justifiable circumstances and only when associated with recruiting, may be charged as a direct expense on an award. Short-term visas differ from longer-term immigration visas in that they are issued for a specific period and purpose and therefore can be clearly identified as directly connected to recruitment of personnel for a federal award. For the expenditure to be directly charged to a federal award, the individual applying for the visa must meet **both** of the following criteria:

- Is critical and necessary for the performance of the project; **and**
- Is working on the project funding the visa expense when they are hired.

Additionally, where visa costs incurred have been funded in whole or in part as a direct expense on a federal award but the newly hired employee resigns within 12 months after hire, Harvard is required to refund or credit the federal share of the visa expenses.

Relocation Costs of Employees

2 CFR §200.464(J)

Relocation costs are allowable as direct expenses if there is a permanent change of assignment of an existing employee or upon recruitment of a new employee. If the relocation of the employee directly benefits and is essential to the project(s), then the costs can be charged as direct expenses to the award(s).

Considerations when evaluating the allowability of relocation expenses of an individual include the following:

- The work performed will directly benefit the objectives of the award
- Reimbursement to the employee is in accordance with Harvard policies
- The reimbursement does not exceed the employee's actual (or reasonably estimated) expenses

See the University Office of the Controller [guidelines on Moving and Related Expenses](#) and [Moving, Recruiting and Related Expenses](#) for more information.

Specialized Service Facilities

2 CFR §200.468

See the [Academic Service Center Policy](#).

Academic service center fees and charges are allowable as a direct charge on a federal award when **all**

the following criteria are met:

- The service center charges are based on actual usage;
- The service provided is directly applicable to the award;

- The charge is based on an established rate schedule or methodology that does not discriminate between activities on federal awards and is designed to recover only the aggregate costs of the services; **and**
- The charge is compliant with the [Academic Service Center Policy](#).

Taxes

2 CFR §200.470

There are allowable federal taxes that Harvard is required to pay; in most circumstances, these costs are treated as indirect costs.

In certain instances, taxes, including sales tax and Value Added Taxes (VAT), are legally required and are associated with expenditures on federal awards. These taxes can be charged as direct expenses on the associated federal award. When a refund can be requested, due to exemptions, the original charge should not be charged to a federal award.

See the [University Sales Tax Exemption Form](#).

Travel and Related Expenses

2 CFR §200.474

See the [University Travel Policy](#) and [Fly America Act](#).

Travel-related expenses are allowable as direct expenses when they provide a direct benefit to the sponsored award.

Unallowable travel expenses include:

- Limousines
- Commuting or travel expenses when not on “travel status”
- Airfare above “lowest economy class” (sometimes called standard economy fare class or base airfare; includes a reserved seat, one personal item, one carry-on bag, and one checked bag)

Domestic and foreign travel charged to a sponsored project must follow these guidelines as well as the Harvard University Travel Policy and funding agency requirements, whichever imposes the greater restrictions.

Travel expenses that directly support the sponsored project may be charged on an actual expense basis, on a per diem or mileage basis in lieu of actual expenses incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip.

In order to charge a business meal on a federal award, an itemized receipt should be presented even if the total amount of the bill is less than \$75. If an itemized receipt is not available, use a Missing Receipt Affidavit (MRA), and:

- If the meal(s) did not include alcohol, the traveler must attest in writing that no alcohol was charged, and the entire amount can be charged to the appropriate federal award.
- If the meal(s) did include alcohol and the traveler can attest the alcohol cost in writing, then the alcohol portion of the meal costs, along with the applicable tax and tip, must be charged to a non-sponsored account (using object code 8450). The remainder of the meal costs can be charged to the appropriate federal award.
- If alcohol was included and the traveler **cannot** attest to the alcohol cost, no portion of the meal costs can be charged to a federal award.

Note that travelers using [Concur](#) must attest that no alcohol costs have been included with the reimbursement request. Please refer to your school/tub or local level managing unit policy for additional guidance.

Air Travel

2 CFR §200.474.3(d)

Lowest Economy Fare Class

Federal regulations require travelers to incur the lowest possible expense to the federal award; in most circumstances, this is a non-refundable (restricted) economy class airfare. Harvard defines lowest economy class airfare (sometimes called standard economy fare class or base airfare) to include a

reserved seat, one personal item, one carry-on bag, and one checked bag. A refundable ticket may be appropriate in situations where there is a high likelihood that the itinerary may change or other extenuating circumstances. Travelers must include the business reason for purchasing a refundable ticket in the business purpose section of the reimbursement request.

Federal regulations require that airfare costs in excess of the lowest economy fare class are unallowable except when such accommodations would:

- (i) Require circuitous routing;
- (ii) Require travel during unreasonable hours;
- (iii) Excessively prolong travel;
- (iv) Result in additional costs that would offset the transportation savings; or
- (v) Offer accommodations not reasonably adequate for the traveler's medical needs.

Once these criteria are met, the traveler must justify and document the exception for the use of business-class or upgraded economy airfare to be allowable on a federal award. Complementary (no-cost) upgrades are allowed. The [Federal Lowest Economy Airfare Travel Reimbursement Exception Form](#) must be completed and signed by an authorized signer and submitted with the travel reimbursement documentation.

There may be circumstances where there is a high likelihood that the itinerary may change; in these situations it is appropriate to purchase a refundable (unrestricted) ticket. Include in the business purpose section of the reimbursement request the reason for purchasing a refundable ticket.

Business Class Airfare or Upgraded Economy

If business class travel or upgraded economy is allowed under the Harvard Travel Policy but cannot be charged to the federal award, the traveler may still fly business class or upgraded economy. However, the difference in fare between the lowest economy airfare and the business class fare must be charged to a non-sponsored account. Business class airfare can only be charged to a federal award if one of the federal exceptions noted above is met. There are no exceptions to this rule.

The traveler must obtain, within one business day of booking the flight, a price quote for the economy fare for the same itinerary. The lowest economy airfare can be charged to the federal award, and the difference **must** be charged to a non-sponsored account. The [Lowest Economy Airfare Split Coding Job Aid](#) can be utilized to calculate the charges and retained as supporting documentation.

If the traveler does not obtain written documentation of the lowest available economy fare for the same itinerary within one business day of booking the flight, NO portion of the fare may be charged to the federal award. Post-booking quotes are not allowed as substitute documentation.

Fly America Act

All air travel on federal awards must comply with the Fly America Act and use U.S. Flag Carriers, even when a less costly foreign flag carrier is available, unless the flight meets the circumstances and exceptions described in the Harvard University [Fly America Travel Reimbursement Exception Form](#). Departments/local level managing units need to retain documentation of the Fly America exceptions.

The Open Skies Agreement is an exception to the Fly America Act requirement and it allows travelers to fly on airlines from the European Union, Australia, Switzerland and Japan under certain circumstances. To determine if a flight meets the Open Skies Agreement criteria, check the [Fly America Act and Open Skies Agreements Decision Tree](#).

Examples of **allowable** air travel expenses on federal awards:

- A researcher purchased an economy fare and it was upgraded to business class for free (no additional costs)
- A research fellow traveled on a foreign airline but the ticket has a US carrier code (code share) next to the flight numbers
- A PI checked an additional bag and provided documentation that the bag was necessary to transport field equipment

Examples of **unallowable** air travel expenses on federal awards:

- A PI purchased a nonstop business class ticket for domestic travel because the coach class fare was not available and there were alternative flights available
- A PI booked a business class ticket for an 8 hour international flight on a US carrier and charged the full fare to the federal award without any written documentation of an exception
- A Co-PI booked the lowest available economy class fare for a flight from Boston to Amsterdam on a European carrier with the business purpose to present a paper on a DoD funded award
- A post-doc purchased a ticket from a US Airlines website for attending a conference in Vancouver, but the ticket has a foreign carrier's code (code share) next to the flight numbers (the seat does not qualify as US flag carrier)

Airline Incidentals

- Reasonable airline internet fees during travel related to an award are generally allowable costs on federal awards.
- Some airlines charge fees for snacks, non-alcoholic drinks, pillows and blankets, etc. Where permitted by local policies and budget, reasonable costs for these items are reimbursable. Expense categories typically ineligible for Federal Reimbursement like entertainment (e.g., in-flight movie) and alcohol cannot be charged to a federal award.

Local Business Meals

Meals consumed in the local environs (i.e., the Longwood Medical Area Campus, the affiliated hospitals, or the Harvard Cambridge and Allston campuses) are rarely allowed to be charged to federal awards.

The [Harvard University Travel Policy](#) may permit the expenditure of Harvard funds for these types of expenses, but they are generally unallowable on federal awards. In these cases, the expense should be charged to a faculty or departmental discretionary account or other appropriate non-federal account.

Examples of food charges that should not be directly charged:

- Researchers and/or staff meeting to discuss progress on the grant
- PI has lunch/dinner with a colleague to discuss research (the meal of the visitor, if they are on travel status, may be charged to the award)

Local business meals may be directly charged to an award if they are linked to a formal meeting or conference at which technical information directly related to the award is being shared or disseminated. Note that specific federal sponsors may have varying terms and conditions that differ from the federal definitions. Please refer to the award's terms and conditions for any specific treatment of expenses.

Examples of meal charges that may be allowed as a direct expense:

- Lunch and refreshments are provided for a periodic all-day meeting with collaborators on a program project where technical information closely related to that project is being shared. There is a formal agenda and documented attendee list.
- A researcher is being recruited to fill an open position on a research grant and travels to Harvard University local environs. Only the researcher's meal may be charged to the grant since he/she is on travel status.

In order to charge a business meal on a federal award, an itemized receipt should be presented even if the total amount of the bill is less than \$75. If an itemized receipt is not available, including the use of a Missing Receipt Affidavit (MRA), and:

- If the meal(s) did not include alcohol, the traveler must attest in writing that no alcohol was charged, the entire amount can be charged to the appropriate federal award.
- If the meal(s) did include alcohol and the traveler can attest in writing the alcohol cost, then the alcohol portion of the meal costs, along with the applicable tax and tip, must be charged to a non-sponsored account (using object code 8450). The remainder of the meal costs can be charged to the appropriate federal award.

If alcohol was included and the traveler **cannot** attest to the alcohol cost, then no portion of the meal costs can be charged to a federal award. Note that travelers using Concur must attest that no alcohol costs have been included with the reimbursement request. Please refer to your school/tub or local level managing unit policy for additional guidance.

Local Parking

Parking expenses incurred in the local environs are normally not allowed to be directly charged to a federal award. Parking can be charged as a direct cost if the local travel benefits the project directly and there is a clear and reasonable business case.

Examples of parking charges that may be charged as a direct cost:

- A PI drives to another institution within the local environs to meet with collaborators on a specific project
- A researcher is working on a federally funded project that includes several Boston hospitals, requiring occasional trips from Harvard University to the affiliated hospitals
- Subjects in a research study are reimbursed for parking expenses incurred when they visit the study site
- Local parking is associated with an out-of-town collaborator on the project who is in travel status when incurring the parking charge

Local Transportation

- Car Services – The use of private sedan, limousine or car services to attend meetings on or around campus is unallowable as a direct expense
- Local Transportation Services – Where available, public transportation and shuttle services may be allowable as a direct cost. Taxis may also be used where other methods of travel are unavailable or impractical.

Communication Expenses

Communication expenses that can be linked to a specific sponsored project with a high degree of accuracy and are used primarily for the sponsored project may be charged as a direct expense.

Examples of communication expenses that may be charged as a direct cost include the following:

- Itemized long distance telephone charges for communication related specifically to an award
- Communication devices used exclusively for conducting surveys
- Telephones and PDAs used exclusively to manage a multi-site research project

- Dedicated telephone lines set up to receive data feeds from the field or conduct surveys
- Hotel and airline Internet fees during travel related to an award
- Incremental expenses for international coverage for Harvard employees in travel status
- Cell phones in remote locations where communication infrastructure is limited

V. Prior Written Approval

2 CFR §200.407

Under any given Federal award, the reasonableness and allocability of certain items of cost may be difficult to determine. In order to avoid subsequent disallowance or dispute based on unreasonableness or non-allocability, Harvard may seek the prior written approval of the awarding agency in advance of the incurrence of special, or unusual, costs. Prior written approval should include the timeframe or scope of the agreement. The absence of prior written approval on any element of cost will not, in itself, affect the reasonableness or allocability of that element, unless prior approval is specifically required for allowability as described below.

Items requiring prior approval must be requested specifically and approved in the proposal budget or must be requested, in writing, before the expense is charged to the award. In most cases written approval from the program officer is not sufficient; refer to the terms and conditions of the award for information regarding who can authorize changes to the award budget.

Only those costs that meet the criteria for direct expenses on a federal award, per these guidelines, can be directly charged to an award under any circumstances.

Per the Uniform Guidance, prior written approval from the sponsor is explicitly required for:

- Change of key personnel (200.308 (c)(2))
- Change of scope (200.308 (c)(1))
- Cost sharing or matching (200.308 (c)(7))
- Effort reduction of key personnel of 25% or greater or PI disengagement from project of greater than 3 months (200.308 (c)(3))
- Equipment and other capital expenditures (200.313, 439)
- Exchange rates (200.440)
- Fines, penalties, damages and other settlements (200.441)
- Fixed amount subawards (200.332)
- Fund raising and investment management expenses (200.442)

- Goods or services for personal use – housing only (200.445)
- Memberships in any civic or community organization (200.457 (c))
- Organization costs (200.455)
- Participant support costs, any transfer of budget (200.308 (c)(5))and (200.456)
- Rearrangement and reconversion expenses (Renovations) (200.462)
- Selling and marketing costs (200.467)
- Travel costs (200.474 (c)(2))
- Use of program income (200.307)

The following require either inclusion in the proposal budget **or** prior approval from the sponsor if not originally budgeted:

- Administrative expenses (200.413 (c))
- Entertainment costs (200.438)
- Subawards, any changes or transfers (200.308) (c)(6))
- Supplemental compensation for incidental activities (200.430 (h) (ii))

The following may require prior approval **or** be allowable under Expanded Authorities:

- Carry forward (200.308 (d)(3))
- No cost extension (200.308 (d)(2))
- Pre-award Expenses (200.458)

VI. Other Related Information

Collection of Improper Payments

2 CFR §200.428

Definition: Any payment that should not have been made including those made in an incorrect amount, made to an ineligible party, made for an ineligible good or service, made in duplicate, made for a good or service not received, made without account for credit of applicable discounts, or made with insufficient or lack of documentation.

The costs to recover improper payments are unallowable expenses. If an improper payment has been charged to an award, it should be immediately removed from the sponsored fund.

Cost Sharing

Expenses incurred to meet cost-sharing commitments require the same accounting, financial, legal, and regulatory burdens as expenses charged directly to Harvard sponsored awards. Expenditures recorded as cost sharing must follow the guidance in this document.

See the [Harvard University Cost Sharing Policy](#) for more information.

Pre-Award Expenses

2 CFR §200.209

Pre-award expenses are expenses incurred on **grant** awards typically during the 90 days prior to the award start date that are necessary for effective execution of the project. These expenses require sponsor approval and follow the same cost principles as expenses charged during the project period. For some federal sponsors with awards under expanded authorities, such as NSF and NIH, the incurrence of pre-award expenses, up to 90 days, is allowed without sponsor approval.

Any expenditure incurred while an account is in advance status is made at the department's or school's risk. See the [At-Risk Account Guidance](#) for more information.

Procurement

It is a compliance requirement to follow the University Procurement guidelines when procuring goods and services using sponsored funds. Additionally, you should pay attention to individual sponsor award terms and conditions to ensure that award procurement requirements are noted and followed.

View the [University Procurement Policy](#).

Changes to Federal Procurement standards as a result of the Uniform Guidance are currently under review; please stay tuned to the OSP Blog and Policy page for more information this fiscal year.

The Uniform Guidance (2CFR200), in effect 12/26/14, allows for the Harvard University to follow previous OMB guidance (superseded by this part as described in § 200.104) and existing

University procurement standards for an additional fiscal year before implementing Uniform Guidance Procurement Standards, as described in §§ 200.317–200.326. Harvard University is taking advantage of this opportunity to follow previous guidance and implement new procurement standards in FY16.

Unallowable Expenses

2 CFR §200.410

Payments made for costs determined to be unallowable (either as direct or indirect) must be refunded to the federal government. Departments are responsible for working with OSP to ensure that direct and indirect funds relating to unallowable expenditures are either returned to the federal government or offset in the award.

Appendix A: Special Considerations for Federal Training Grants

Each year, NIH and other DHHS agencies award institutional research training grants to eligible institutions to develop or enhance research training opportunities for individuals (predoctoral and postdoctoral), selected by the institution, who are training for careers in specified areas of biomedical, behavioral, and clinical research.

NIH Training Grants generally include the following cost categories: Stipend, Tuition and fees, Training-Related Expenses and Trainee Travel Costs.

Tuition and fees are allowable trainee costs only if such charges are applied consistently to all individuals in a similar training status at the organization, without regard to their source of support. Tuition at the postdoctoral level is limited to that required for specific courses in support of the approved training program and requires prior agency approval.

Trainees are generally supported for 12-month full-time training appointments for which they receive a stipend as a subsistence allowance to help defray living expenses during the research training experience. Stipends must be paid in accordance with established stipend levels. Trainee-related Expenses (TREs) are "funds provided to defray such training expenses as staff salaries, consultant expenses, equipment, research supplies, staff travel and other expenses directly related to the training program." TRE is generally requested in a lump sum, based on the number of trainees requested in the application, and entered on the budget page without further stipulation.

NIH may provide funds for Trainee Travel costs (attending scientific meetings, etc.) when requested by the recipient institution.

NIH Training Grant Specific Rules for Re-Budgeting of Funds

Funds may be re-budgeted only as follows:

- **Trainee-Related Expenses** – Re-budgeting of funds awarded in a lump sum for trainee-related expenses does not require prior agency approval.

- **Trainee Travel** – For re-budgeting purposes, trainee travel is not considered a trainee cost and, therefore, may be re-budgeted into any other budget category without prior approval of the NIH awarding IC.
- **Trainee Costs** – For re-budgeting purposes, trainee costs include funds awarded in the stipends or tuition/fees budget categories. These costs may not be used for other purposes except under unusual circumstances and then only with the prior approval of the NIH awarding IC. Unless otherwise restricted, re-budgeting into or within the stipends and tuition/fees is allowable without prior approval of the NIH awarding IC.

Unlike participant support costs, which do not take indirect costs, stipends on NIH training grants can take 8% indirect costs. Tuition and fees cannot take indirect costs. The unspent stipend plus the 8% indirect costs can be re-budgeted into the tuition category, but it cannot be re-budgeted into TRE.

For more guidance on NIH training grants and re-budgeting funds, please see [NIH Research Training FAQs](#) on NIH website.

The following trainee-related expenses may be treated as direct expenditures on fellowships and training grants:

- Consultant expenses, including seminar speakers (and their travel and honoraria) and related seminar/symposium expenses
- Announcements, posters, and brochures
- The cost of videotaping seminars because the seminars are trainee-related and trainees would benefit from the educational value of the seminars
- Trainee travel
- Health insurance
- Professional membership fees
- Book allowance
- PI travel and conference fee when attending a conference with trainees

Trainee-related expenses that may be charged to training grants and fellowships, as defined by the NIH, include:

Table 1: Trainee-related expenses

Type of Costs	Allowable or Unallowable	Considerations
Honorarium	Allowable	Speaker for seminar for trainees
Administrative Salaries	Allowable	May be allocated to help defray such expenses as staff salaries (such charges must meet the tests of allocability and reasonableness)
Books/Journals	Allowable	May be allocated if these items directly benefit the research and training of the project
Domestic Travel	Allowable	Only trainees or PIs w/ trainees may travel to enhance research experience (not from residence to institution)
Foreign Travel	Allowable	Only trainees or PIs w/ trainees may travel to enhance research experience (not from residence to institution)
Videotaping of Seminars	Allowable	If seminars are trainee-related and trainees would benefit as they provided unquestionable educational value, then may be allocated
Business Cards	Unallowable	Would not benefit research or training directly
Computers	Allowable	May be allocated if computer is purchased by department for trainee use while appointed to the project or if sponsor approved and under \$5,000
Visa	Unallowable*	*May be allocated only on Fogarty Training Grants

Type of Costs	Allowable or Unallowable	Considerations
Food (e.g., pizza or soda)	Unallowable	General food expenses for internal meetings are unallowable. Described in this manner, these would be considered entertainment expenses and as such are unallowable
Moving expenses	Unallowable	Project funds may not be used for a prospective trainee's travel expenses to or from for the purpose of recruitment or relocation
Health Insurance	Allowable	Health insurance is allowable for individual and his/her dependents
Advertising	Allowable	Recruitment expenses may be allocated

Appendix B: Cost Allocation Methodologies

- This section of the Sponsored Expenditure Guidelines has been removed and is now separate guidance on the OSP website. For sponsored guidance on cost allocation methodologies please see the new [Sponsored Cost Allocation Methodology Guidance](#).

Appendix C: Related Harvard Policies, Guidance, and Other Resources

- [Academic Service Center Policy](#)
- [Administrative and Clerical Salaries on Federal Awards Policy](#)
- [At-Risk Account Guidance](#)
- [Capital Equipment Policy](#)
- [Consulting or Related Service Agreements Policy](#)
- [Cost Sharing Policy](#)
- [Federal Lowest Economy Airfare Travel Reimbursement Exception Form](#)
- [Fly America Act and Open Skies Agreement Decision Tree](#)
- [Fly America Travel Reimbursement Exception Form](#)
- [Guidance Concerning Charging Staff Parental Leave to Sponsored Awards](#)
- [Independent Contractor Classification Policy](#)
- [Lowest Economy Airfare Split Coding Job Aid](#)
- [Moving and Related Expenses Guidelines](#)
- [Moving, Recruiting, and Related Expenses Guidelines](#)
- [Prior Approvals Grid](#)
- [Retention of Research Data and Materials Policy](#)
- [Severance on Sponsored Awards Policy](#)
- [Sponsored Travel Guidance](#)
- [Uniform Guidance 2CFR200 – Uniform Administrative Requirements](#)
- [University Sales Tax Exemption Form](#)
- [University Travel Policy](#)

Revisions

- November 2015
 - Updated both the Alcoholic Beverages and Travel and Related Expenses section to include clarification regarding missing receipts
 - Revised the Memberships, Dues and Professional Activity Expenses section to include the revised wording
 - Updated the Travel Section to include the clarification on business class and economy upgrade airfares
 - Additional information added to Appendix A regarding information on training grants
- December 2015
 - Delay implementation date to March 1, 2016

- Change Prior Approval section to indicate that approval is required for effort reductions of 25% or greater
- March 2016
 - Updated the Airline Incidentals section to clarify and add wording on the second bullet regarding fees that are generally eligible vs. ineligible
- December 2017
 - Updated alcoholic beverages, travel and related expenses, and local business meals sections to allow travelers to attest to no alcohol using Concur
- October 2019
 - Updated Travel and Related Expenses and Air Travel sections
 - Clarified in Section I Key Cost Principles that the guidance applies to cost share/companion accounts
- November 2020
 - Updated Participant Support Costs section
- January 2021
 - Removed Appendix B: Cost Allocation Methodologies, which was replaced by [Sponsored Cost Allocation Methodologies Guidance](#).