

Sponsored Programs/Research Policy on Direct Costs Effective January 1, 2017

FROM: William M. Pierce, Jr., PhD, Executive Vice President for Research and Innovation

TO: University of Louisville Research Community

Greetings Colleagues,

As a preeminent metropolitan research university it is essential that we have sound administrative and fiscal policies that lay the foundation for how we carry out research and scholarly activity. Recent internal and external reviews have highlighted a need to strengthen and formalize certain institutional guidelines governing the management of sponsored funding, in particular in the area of costs charged directly to sponsored projects and programs.

In response to these reviews and in alignment with the practices of other major research universities, an official institutional policy has been developed to formalize the University's approach to **the management of costs/expenses charged directly to externally sponsored programs**. This policy, which aligns with federal regulations outlined in the Uniform Guidance (2 CFR 200), will be adopted on January 1, 2017 and will serve as a cornerstone for the compliant management of sponsored funding at the University of Louisville. It is important to note that the majority of the information contained within this policy is not new. The policy simply formalizes the University's long-standing position and approach to the compliant management of sponsored funding as outlined in existing federal regulations and requirements. Additionally, supporting procedural and guidance documents will be adopted to serve as educational tools for those individuals involved in the administration of externally sponsored programs.

Links to the policy and supporting appendices and guidance documents can be found at the following links:

[Direct Costs on Externally Sponsored Programs](#)

[Direct Cost Allowability Matrix](#)

[Charging Direct Costs to Sponsored Programs](#)

[Guidance for Direct Charging of Administrative and Clerical Salaries to Sponsored Programs](#)

[Guidance – Typical Direct and Indirect Costs and Examples of Unallowable Costs](#)

Questions regarding this policy and the supporting documents can be directed to either Judy Bristow, Director of the Office of Sponsored Programs Administration or to Kevyn Merten, PhD, Assistant Vice President for Research and Innovation.

Thank you for help in ensuring the appropriate stewardship of sponsored funding and for all that you do for the University of Louisville research community.

Sincerely,

Bill Pierce