

## College of Nursing

### Budgeting Policy

The College of Nursing will follow Penn State's Cost Accounting Standards (CAS) when determining whether an item is a direct cost or indirect cost. Each item of cost incurred for the same purpose should be treated consistently in like circumstances as either a direct or an indirect cost in order to avoid possible double charging of sponsored awards.

The list below is not inclusive. When in doubt whether a charge is a direct vs indirect cost reach out to the Research Office or the Finance Office for clarification. **Determination of direct costs should normally be completed at the proposal stage.**

#### Supplies

Supplies that are directly necessary for the success of a sponsored project and are significantly greater than the routine level should be billed to the project and should be included in the project budget as a direct cost. If the supply will be used for the benefit of more than one project, the cost of the supply should be split among the projects proportional to the benefit of each project. Please plan for these project costs at the proposal stage.

Example: A researcher has educational materials that will be distributed to participants involved in a specific sponsored project. The supplies include paper, binders, folders, printing costs. These expenses should be budget as direct costs to the project.

#### Computing Devices

**College of Nursing General Funds Budgets:** Computers and other computing devices with an acquisition cost of less than \$5,000 are considered supplies. Computing devices with an acquisition cost of \$5,000 or greater are considered equipment. Generally, office supplies or general-purpose equipment should not be charged directly to a sponsored project. A completed cost accounting justification form must be approved prior to purchase. Office desktop computers will be supplied to all employees directly employed by the College of Nursing. If an employee requires a highly technical computer, above and beyond the normal computers distributed, other funds may be used to supplement the purchase such as: faculty start-up or another fund ear-marked for that faculty member.

**Sponsored Project Budgets:** Computers, laptops, tablets that are to be used for the sole benefit of a sponsored project should be budgeted and charged to that sponsored project. If computing devices will be used for the benefit of more than one project, the cost of the computing devices should be split among the projects proportional to the benefit each project will receive. Remember under *almost* no circumstances should supplies, computers, or equipment be charged to a sponsored project during the last six months of the project, since it is unlikely that the project will derive sufficient benefit to justify the cost. Purchases of computers and other equipment should be made as early as possible in the period of performance to avoid being disallowed by auditors. Employees that are fully funded by a sponsored project, such as project managers, should have his/her computer devices budgeted and billed on the sponsored project with which he/she will be working.

#### Administrative Support

Clerical, Information Technology and Administrative support should be covered by the College of Nursing unless the level of support is significantly greater than the routine level of services. The following

conditions must be satisfied prior to directly charging Clerical, Information Technology or Administrative support salaries to a sponsored project:

- 1) Clerical, Information Technology and Administrative services are integral to a project or activity.
- 2) Individuals involved should be specifically identified on the project budget by name or position or with prior written approval from the sponsor.
- 3) The costs are not recovered as indirect costs.

### **References and supporting document links**

[Allowable Costs](#)

[Cost Accounting Standards Penn State FAQ](#)

[Cost Accounting Justification](#)

[Indirect Costs](#)

### **Special Notes:**

- Please contact IT when you are planning any research proposal that includes project specific IT devices. "College of Nursing Help Desk" [conhelpdesk@psu.edu](mailto:conhelpdesk@psu.edu)
- Subcontractors are not considered Penn State employees and are not covered under Penn State's privileges (free software, warranties, computer maintenance, office space, etc.). Project specific computers and supplies should be budgeted on the subcontractor's budget.
- All purchases should be made using Penn State systems, including travel, supplies and computer devices. Penn State systems provide warranties and maintenance agreements that are unique to Penn State. Any item purchased outside the system cannot be tracked, maintained or upgraded using Penn State sources.