



Section 300: Proposal Development and Submission

OSR Policy 300.6 — Direct Costs

Responsible Officer: Director
Responsible Unit: Proposal Management
Effective date: July 1, 2008
Last revised on: October 17, 2008

Policy Statement

Researchers at UNC-Chapel Hill are required by Federal regulation to identify direct costs according to the definitive criteria in [OMB Circular A-21, Section J](#).

Allowable costs identified directly and solely with a particular sponsored project are classified as “Direct Costs.” Direct costs include both personnel and non-personnel cost elements that may include, but are not necessarily limited to:

1. Personnel Costs
 - Salaries
 - Fringe Benefits
 2. Non-Personnel Costs
 - Capitalized Equipment
 - Travel
 - Subcontracts
 - Consultants
 - Other Direct Costs
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Reason for Policy

This policy defines the requirement of proposed budgets to reflect and comply with federal regulations applicable to direct costs.

Exclusions/Exceptions

Non-federal funding agencies may allow costs that the OMB Circular A-21 does not. When this is the case, such costs may be included but must be explained in the proposed budget justification.



Procedures and Related Policies

There are several procedures for estimating different types of costs. Each is found with the related cost in subsequent policies addressing the line items (salary, fringe benefits, equipment, etc.).

Related Policies include:

- [OSR Policy 300.7](#) [Direct Costs: Personnel](#)
- [OSR Policy 300.8](#) [Direct Costs: Non-Personnel](#)

OSR Research Tool Kits

[Proposal Development and Submission: Developing a Budget](#)

Contacts

Questions and concerns can be submitted online at [Ask OSR](#) or by using the [OSR staff directory](#). Within [RAMSeS](#), the “*Speak to Someone*” option assists in locating the staff member best suited to address project-specific issues.

References



[Research Administration Glossary at Carolina](#)

1. OMB Circular A-21, C. Basic Considerations, *Section 10 Consistency in Estimating, Accumulating and Reporting Costs*.

Revision History

Prior Revisions: The policies in the *Office of Sponsored Research Policies & Procedures Manual* supersede any OSR policies, procedures and appendices previously included in the *University Business Manual*, a publication of UNC Chapel Hill’s [Division of Finance](#).

