



Section 500: Award Management

OSR Policy 500.15 — Additional Non-Personnel Expenditures

Responsible Officer: Director
Responsible Unit: Award Management
Effective date: July 1, 2008
Last revised on: November 4, 2008

Policy Statement

The following non-personnel expenditures (which are not all-inclusive and can be classified as either “direct” or “indirect” costs) are maintained as described below:

I. Office Equipment, Materials and Supplies

Office equipment, materials and supplies that do not meet the [criteria for capitalized equipment](#) are allocated as Facilities and Administrative (F&A) expenditures.

Examples of such costs include but are not limited to:

- General Office Equipment (costing less than \$5,000)
- Office Supplies
- Postage
- Memberships
- [Computers](#)

Grant and contract funds can be used to purchase appropriate lab and project-specific research supplies delivered on or after the beginning date and received sufficiently in advance of the ending date of a project period.

Purchases made during the latter part of a project are subject to particular audit scrutiny and therefore require proof of sustainability from the viewpoints of relevance and usefulness to the project.

Supplies received following the budget-end-date of an award or contract is generally charged to a continuation award or another active project that requires and can effectively utilize the supplies. If the usage and charges for such supplies cannot be legitimately absorbed by another active project or departmental budget, outstanding orders must be cancelled to avoid the incurrence of a financial obligation not covered by an authorized budget.



II. Research Patient Care Costs

Research patient care costs are the routine and ancillary services provided by hospitals to individuals participating in research programs. The costs of these services normally are assigned to specific research projects through the development and application of research patient care rates or amounts.

Patient care costs are generally reimbursed as direct costs. They exclude:

1. Otherwise allowable items of personal expense reimbursement, such as patient travel or subsistence, consulting physician fees, or any other direct payments related to all classes of individuals, including inpatients, outpatients, subjects, volunteers, and donors.
2. Costs of ancillary tests performed in facilities outside the hospital on a fee-for-service basis (for example, an independent, privately owned laboratory) or in an affiliated medical school/university based on an institutional fee schedule.
3. Data management or statistical analysis of clinical research results.

Reason for Policy

The University offers this policy to provide clarification and guidance as to University practices regarding expenditure inquiries about non-personnel issues in conjunction with federal regulations governing allowability.

Exclusions/Exceptions

Because of the inconsistent nature of possible exclusions and exceptions, these are broached on an individual, case-by-case basis. However, there are some general guidelines for specialized non-personnel costs listed below:

I. Alterations and Renovations (Remodeling)

Such costs are authorized only for specialized facility requirements and exceptional cases, not for general-purpose space.

II. [Rental Space](#)

In some cases a University department, school, or center may require rental space to house a sponsored project. If the rental space is within a ten-mile radius of the UNC-Chapel Hill campus, the rent is paid from Facilities & Administrative (F&A) receipts and the on-campus indirect cost rate applies. If the rental space lies outside the ten-mile radius of the campus, the rent is included as a direct project charge and the off-campus indirect cost rate applies.

Regardless of the funding source, all anticipated space rental should be addressed on the internal processing form and must be arranged and contracted for by the [University Property Office](#).

Where space rental is directly charged to a project, an off-campus indirect cost rate will be applied.



Procedures and Related Policies

- [OSR Policy 500.17](#) [Purchase of Computers as a Direct Cost](#)

OSR Research Tool Kits

None.

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. Asset Management, Material Disbursement Services, Finance Division.
2. UNC-Chapel Hill Property Office.

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](#).

