

## **Charging Subcontractor and Equipment Costs to Sponsored Awards – Given Recent Threshold Changes in the Uniform Guidance**

To make this charging guidance as straight forward as possible, decisions on how to select the correct expenditure type when charging for Subcontract or Equipment Costs depends on the negotiated indirect cost rate agreement (NICRA) which is applicable to the award.

*There is one (1) exception to this charging practice which is highlighted below.*

For sponsored ‘research’ awards, using the on-campus NICRA, there are two (2) worlds we are living in currently, until all awards from the prior NICRA are closed out and/or the federal government announces formal change to our current negotiated rate processes.

### **NICRA Choices Are:**

**On-Campus NICRA through June 30, 2025, at 52.5% (fixed for the life of these awards),**

**On-Campus NICRA effective as of July 1, 2025, at 55% (fixed for the life of the awards)**

Please note if your award is not considered a ‘research’ award, the other negotiated rates for: a) Instruction, b) Other Sponsored Activities/Public Service must be used for one of the two NICRAs above.

### **Subcontractor Cost Expenditure Types – Key to the Recovery of Clemson Indirect Costs**

RATE = 52.5%	SUBCON	7557	Subcontracts < \$25,000
RATE = 52.5%	SUBCON	7558	Subcontracts > \$25,000
	SUBCON	7559	Subcontracts – Exempt
RATE = 55%	SUBCON	7562	Subcontracts < \$50,000
RATE = 55%	SUBCON	7563	Subcontracts \$50,000 and Greater

- *Account codes will be updated with the Workday implementation.*

### **EXAMPLES OF APPLICATION of the Correct Expenditure Account:**

- 1) *The award NICRA rate is 55% and there is a subaward to issue, please choose the 7562 account for subcontract costs as invoiced up to the \$50,000 threshold. Then choose the 7563 account for invoiced costs more than \$50,000.*
- 2) *The award NICRA rate is 52.5% and there is a subaward to issue, please choose the 7557 account for subcontract costs as invoiced up to the \$25,000 threshold. Then choose the 7558 account for invoiced costs more than \$25,000.*
- 3) *Some time has passed and a new subaward needs to be established after July 1, 2025, but my award NICRA is 52.5%. Establish this new subaward with the \$25,000 threshold.*

### **Equipment Cost Expenditure Types – Key to the Recovery of Clemson Indirect Costs**

#### **NICRA Choices Are:**

**On-Campus NICRA through June 30, 2025, at 52.5% (fixed for the life of these awards),**

**On-Campus NICRA effective as of July 1, 2025, at 55% (fixed for the life of the awards)**

Please note if your award is not considered a ‘research’ award, the other negotiated rates for: a) Instruction, b) Other Sponsored Activities/Public Service must be used for one of the two NICRAs above.

### **Equipment Cost Expenditure Types – Key to the Recovery of Clemson Indirect Costs**

RATE = 52.5%	EQUIP 8102	Equip Info Tech (\$5K - \$9,999)
RATE = 52.5%	EQUIP 8103	Equip Sci/Tech (\$5K - \$9,999)
RATE = 52.5%	EQUIP 8104	Equip Other (\$5K - \$9,999)
RATE = 55%	EQUIP 8113	Equip Sci/Tech (\$10K and Up)
RATE = 55%	EQUIP 8114	Equip Other (\$10K and Up)
RATE = 55%	EQUIP 8115	Equip Info Tech (\$10K and Up)
BOTH RATES	OTHER 7214	Non-Cap Equip Info Tech
BOTH RATES	OTHER 7215	Non- Cap Equip Sci/Tech
BOTH RATES	OTHER 7216	Non-Cap Other
BOTH RATES	OTHER 7220	Non-Cap Computing Clusters
BOTH RATES	OTHER 7202	Supplies (Many Supply Line Choices)

- *Account codes will be updated with the Workday implementation.*

**IDC Exceptions/Waivers:** Should follow the current process for official approval of indirect cost exceptions/waivers via the Office of Sponsored Programs (OSP).

**Difference in the use of a Supply spending category and Non-Capital Equipment –**

A) Charge items in the Supply spending categories which are deemed as consumable over a short period of time and are expected to be fully utilized within the period of performance of the award.

B) The use of the ‘Non-Capital’ spending categories are for items which are not immediately consumable (like supplies and materials). These items are under the equipment thresholds of either \$5,000 or \$10,000, respectively, based upon the award’s indirect cost rate.