

Supplies Charged to Federally Sponsored Agreements Policy- Plymouth State University

1. Definitions

"Supplies" means all tangible personal property that fall below the cost or useful life thresholds for equipment. A computing device is a supply if the acquisition cost is less than the PSU capitalization threshold of \$5,000, regardless of the length of its useful life. Other examples of supplies include calculators, books, computer software and peripherals (when not purchased as part of a system whose total purchase price is \$5,000 or more), paper, pencils, notebooks, markers, and laboratory chemicals.

"Federally sponsored" refers to all federal funds, including those received through the State of New Hampshire, other educational institutions, private industry, or other entities.

2. Policy

2.1 Any supply charged to a federally sponsored program must meet all four of the following criteria in order to be allowable as a direct charge:

2.1.1 Reasonable. The supply must be necessary for the performance of the sponsored agreement. The cost must conform to all applicable government requirements and be consistent with institutional policies.

2.1.2 Allocable. The supply must be used solely to advance the work of the particular sponsored agreement during its performance period. If the supply benefits more than one project or activity, the cost must be allocated proportionately to each project or activity according to the degree of benefit.

2.1.3 Consistent. The supply cost must be treated consistently as either a direct or indirect cost in like circumstances throughout the institution.

2.1.4 Limitations. The supply item must conform to limitations imposed by the sponsor's policies and the agreement itself.

2.2 The cost of supplies from stock or services rendered by specialized institutional facilities or other operations (such as departmental copiers) may be charged directly to sponsored agreements provided the above criteria are met and the costs conform to USNH policy on "Establishing a Recharge Center Rate."

2.3 Items typically considered to be office, administrative, departmental, or general supplies (such as paper, pencils, notebooks, file cabinets) are normally charged indirectly to sponsored agreements through the institution's federally negotiated Facilities and Administrative (F&A) cost rate. However, under appropriate circumstances, such special needs items may be charged directly to the sponsored agreement if they are:

Essential to the project's programmatic or technical purpose,

Explicitly identified with the project,

Explicitly approved or not specifically disapproved by the sponsor as reflected in the award budget.

2.4 Examples.

It is allowable to directly charge a sponsored agreement for the cost of paper and envelopes for a project requiring data collection through a mail survey.

Paper, pencils, and similar supplies may be allowable direct charges to a workshop or conference grant.

Supplies for an administrative office specifically funded as such by the sponsor may be allowable direct charges.

2.5 If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of a federally-funded project and the supplies are not needed for any other Federal award, PSU must retain the supplies for use on other activities or sell them, but must, in either case, compensate the Federal government an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase. If the supplies are sold, the sponsoring agency may allow PSU to retain \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.