

Significant Project FAQs (4/8/24)

1) Q: When is a significant project request required?

A: The salaries of administrative and clerical staff should normally be treated as indirect costs. A significant project request is required to direct charge administrative and clerical staff to federally sponsored projects when UMD's federally negotiated rate(s) is being used and if the following conditions are met per 2 CFR 200.413.

- Administrative or clerical services are integral to a project or activity;
- Individuals involved can be specifically identified with the project or activity;
- Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
- The costs are not also recovered as indirect costs.

Significant Projects are ones that require an extensive amount of administrative or clerical support that is considerably greater than the routine level of such services provided by a department, institute, or center. Determination of what constitutes a Significant Project will be conducted on a proposal-by-proposal basis. *When routing a proposal in KR, the Significant Project - Requested designation should be used under Admin Costs Included on the Supplemental Info tab.*

Additional information can be found in UMD's [Guidelines for Establishment of Organized Research Unit \(ORU\) or Significant Project \(SP\) Designation](#) (Effective 11/1/14).

2) Q: My department is designated as an Organized Research Unit (ORU). If we submit a proposal that includes administrative costs in the budget, are we required to submit a significant project request?

A: No, a significant project request is not required. The ORU designation indicates that the project is administered in a unit where these types of charges would be generally allowable and; therefore, subject to a less intensive proposal-by-proposal review. However, the budget justification should include a clear justification explaining the administrative costs. *Additionally, when an ORU routes a proposal in KR, the ORU designation should be used under the Admin Costs Included on the Supplemental Info tab.*

3) Q: If we have submitted a justification for the need for administrative costs as part of the significant project request process, does anything more need to be done?

A: Yes, a clear justification must also be included in the proposal budget justification being submitted to the federal sponsor. The federal sponsor will not see UMD's internal approval paperwork.

4) Q: If UMD's budget includes a subaward and the subrecipient's budget includes administrative costs, but UMD's budget does not include administrative costs, is the UMD department required to submit a significant project request?

A: No. However, UMD's budget justification should include the following in the subaward category: [Subrecipient Name]'s budget includes costs for [describe administrative costs requested]. This request is made to [Federal Awarding Agency's Name] for approval as a direct charge of administrative costs in accordance with 2 CFR 200.413. *Use the "Not Included (or XX account)" label under the Admin Costs Included on the Supplemental Info tab.*

5) Q: If the solicitation includes a requirement to budget costs for a specific position (e.g., Project Manager) that would be categorized as administrative costs at UMD, are we required to submit a significant project request?

A: No. Since the inclusion of these costs are mandated in fulfillment of the solicitation requirements, a significant project request is not required. *Use the "Sponsor Guidelines" label under the Admin Costs Included on the Supplemental Info tab.*

6) Q: If the solicitation states administrative costs are allowable, are we required to submit a significant project request to include these costs?

A: No, a significant project request is not required because approval is already granted by the solicitation terms. The budget justification should clearly state administrative costs are included and the reason those costs are needed to accomplish the project. *Use the "Sponsor Guidelines" label under the Admin Costs Included on the Supplemental Info tab.*

7) Q: If we route a supplemental funding proposal or continuation application, and the budget includes administrative costs, do we need to submit a significant project request?

A: Yes, a significant project request is required. A new request is required even if the initial proposal already has an approved significant project designation. Use the "Significant Project - Requested" label under the Admin Costs Included on the Supplemental Info tab.

8) Q: If we are submitting a proposal to a non-federal sponsor using an Indirect Costs rate that is lower than UMD's federally negotiated rate per sponsor policy, and the budget includes administrative costs, do we need to complete a significant project request?

A: No, a significant project request is not required. However, best practice is to include a clear justification in the proposal explaining the need for the administrative cost. *Use the "Not Federal*

or Federal-Flow Through Funds” label under the Admin Costs Included on the Supplemental Info tab.

9) Q: If we want to show administrative costs as part of our required cost share for a federally funded proposal, do we still need to complete a significant project request?

A: Yes, the same standards apply to the cost share funds as for the sponsors’ funds. *Use the “Significant Project - Requested” label under the Admin Costs Included on the Supplemental Info tab.*

10) Q: If we are submitting a proposal to a federal sponsor that has a policy limiting the allowability of Indirect Costs (less than UMD’s negotiated rate), do we need to complete a significant project request?

A: No, a significant project request is not required. However, best practice is to include a clear justification in the proposal explaining the need for the administrative cost. *Use the “Negotiated Rate Not Used - Fed/Flow Through” label under the Admin Costs Included on the Supplemental Info tab.*

11) Q: If the budget includes more than one administrative position, are we required to submit multiple significant project requests (one for each position)?

A: No, you are only required to submit a single significant project request for the entire project. The single request should include each administrative position and a justification for why the costs are necessary.

12) Q: If we are submitting a proposal to a non-federal sponsor using UMD’s federally negotiated Indirect Costs rate, and the budget includes administrative costs, do we need to complete a significant project request?

A: Yes, a significant project request is required. This is an exception to the significant project guidelines, which typically apply only to federal or federal flow through proposals. Including administrative costs in this instance will require review and prior approval because UMD’s federally negotiated Indirect Costs include administrative costs as described in [2 CFR 200.414](#). *Use the “Significant Project - Requested” label under the Admin Costs Included on the Supplemental Info tab.*

13) Q: If we are submitting a proposal with a request to waive UMD's federally negotiated Indirect Costs rate, and the proposal includes administrative costs, do we need to complete a significant project request?

A: Yes, a significant project request is required. *Use the "Significant Project - Requested" label under the Admin Costs Included on the Supplemental Info tab.*