

**Quick Reference**

**A-21 Definitions**

**Purpose**

Use this quick reference when looking for a brief description of the Office of Management and Budget Circular A-21 functional categories.

**Helpful Hints**

Additional helpful information is available at the Office of Management and Budget web page:

<http://www.whitehouse.gov/omb/circulars/a021/a021.html>

## 1. DIRECT COSTS (I – V)

### A01. Instruction and Departmental Research



All teaching and training activities of an institution.



**Sponsored Instruction and Training:** Training funded by a grant, contract, or cooperative agreement. Awards are primarily merit based and are part of a structured, organized training program. Also includes activities involving the training of individuals in research techniques) commonly called research training).

Examples:

- Awards to departments
- Training support for graduate students and post-doctoral fellows
- Dissertation grants
- Upward bound programs
- Short term training courses
- All K Awards except K02 and K05



**Departmental Research:** Research that is funded with departmental funds that is not separately budgeted and accounted for.

Examples:

- Faculty discretionary funds
- Faculty start-up funds
- Faculty teaching compensation funds in lieu of salary
- Faculty royalty income funds

### A02. Organized Research



All research and development activities that are separately budgeted and accounted for to perform data collection, analysis, evaluation, and reporting usually in the context of hypotheses testing where such activities utilize the same facilities as other research and development activities.



**University Research:** Research funded by internal application of institutional funds that is separately budgeted and accounted for.



**Sponsored Research:** Research funded by federal and non-federal agencies and organizations.

Examples:

- R01
- Program Project Grants
- K awards only in the K02 and K05 category
- Cost overruns on sponsored awards
- Administrative costs included in sponsored awards
- Pre-award costs agreed to by sponsor on at risk accounts

### A03. Other Sponsored Activities



Programs and Projects financed by federal and non-federal agencies and organizations that involve the performance of work other than instruction and organized research.

Examples:

- Travel
- Publication and printing
- Preservation, maintenance and/or cataloging of collections, archives, equipment or facilities
- Conferences and symposia
- Administration (unless part of an organized research award)
- Public presentations
- Demonstrations
- Acquisition of equipment
- Facilities construction
- Library collections, acquisitions, bibliographies or cataloging
- Social and/or community service, or health service and/or promotion

### A04. Other Institutional Activities



All activities of an institution except direct cost activities as defined above (I-III), indirect cost activities as defined below (VI - XV), and activities in A04-1 and A04-2.

Examples:

- Intercollegiate athletics
- Chapels
- Public museums
- All costs identified as “unallowable” to sponsored agreements (excluding fundraising, which is broken out in A041)



**A041. Fundraising/Development:** These activities should be assigned unique org values and attributed as Other Institutional Activities. Fundraising/development includes:

- Inducing potential donors to contribute money, securities, services, materials, facilities, or other assets.
- Publicizing and conducting fundraising campaigns;
- Maintaining donor mailing lists;
- Conducting special fundraising events;
- Preparing and distributing development manuals, instructions, and other materials; and
- Conducting other activities involved with soliciting contributions from individuals, foundations, governments, and others.



**A042. Auxiliaries:** Business units that exist principally to furnish goods or services to students, faculty, staff, or alumni and that charge a fee for the cost of goods or services. Auxiliaries generally do not support Harvard departments.

Examples:

- Dining services
- Faculty Club

## **A05. Service Facilities/ Recharge Centers**



Business units that provide goods and services for fees to both internal and external customers. Services may range from highly specialized to typical or necessary.

Examples:

- UOS
- UIS
- Animal care facilities
- Machine shops

## **2. INDIRECT COSTS (VI – XIII)**



**Facilities and Administration Costs:** costs that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity.

### **2.1 Administration (VI - IX):**

#### **A06. General Administration and General Expenses**



Those expenses incurred for the general executive and administration offices of educational institutions and other expenses of a general character which do not relate solely to any major function of the institution.

Examples:

- Administrative offices that serve the entire university
- President's office
- Institution wide financial management, business services, budget and planning, personnel management, and safety and risk management
- Office of the General Counsel
- Operations of the central administration management information system

#### **A07. Departmental Administration Expenses**



Those expenses incurred for administrative and supporting services that benefit common joint departmental activities or objectives in academic deans' offices, academic departments and divisions, and organized research units.

Examples:

- Academic deans' offices (only expenses attributable to admin functions)
- Academic department administration

#### **A08. Sponsored Projects Administration**



Those expenses incurred by a separate organization established primarily to administer sponsored projects.

Examples:

- Office for Sponsored Research (OSR)
- Office of Cost Analysis
- Sponsored Programs Administration (SPA)

#### **A09. Student Administration and Services**



Those expenses incurred for administration of student affairs and services.

Examples:

- Administration of student affairs and services to students
- Dean of students
- Admissions

- Registrar
- Counseling and placement services
- Student advisers
- Student health and infirmary services
- Catalogs
- Commencements and convocations

## **2.2 Facilities (X - XIII):**

### **A10. Operation and Maintenance Expenses**



Costs associated with the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant.

Examples:

- Janitorial and utility services
- Repairs and ordinary or normal alterations of buildings, furniture, and equipment
- Care of grounds
- Maintenance and operation of buildings and other plant facilities
- Security
- Earthquake and disaster preparedness
- Environmental safety
- Hazardous waste disposal
- Property, liability, and all other insurance relating to property
- Space and capital leasing
- Facility planning and management
- Central receiving

### **A11. Library Expenses**



Those expenses that have been incurred for the operation of the library, including books and library materials less income items that qualify as applicable credits. Costs incurred for the purchases of rare books (museum-type books) with no value to sponsored agreements should not be allocated to them.

### **A12. Depreciation and Use Allowances**



The portion of costs of the institution's buildings, capital improvements to land and buildings, and equipment.

#### **A13. Interest**



Interest on debt associated with certain buildings, equipment, and capital improvements.

### **3. EXCLUSIONS (XIV - XV):**

#### **A14. Fringe Benefits**



Activity (used by Central Administration only) for transactions in the fringe benefit funds, including charges for actual fringe benefit expenses (health plan payments, employer FICA payments, etc.) and credits from benefit recoveries from tubs. This does NOT include fringe benefit assessments charged to tubs, which should be assigned to the A21 activity for which they are incurred (instruction, organized research, etc.).

#### **A15. Scholarships and Student Awards**



Costs of scholarships, awards, grants, and stipends for students.