Procedure: Charging Computing Devices as Direct Costs
(Revised 9/10/19)

Purpose:

To assist Principal Investigators and campus personnel regarding the purchase of small computing devices on sponsored awards.

Reason for this Guidance:

To ensure proper treatment of computing and electronic devices under Uniform Guidance (2 CFR 200).

Guidance:

Uniform Guidance (2 CFR 200.453) states that these devices can be treated as a direct cost if they are “essential and allocable, but not solely dedicated, to the performance of the Federal award. computing devices.”

While a device need not be solely dedicated to the project, activities outside of the grant should not interfere with project use and the predominant use of the device should be for the project.

The Uniform Guidance defines computing devices as follows:

- Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. (2 CFR §200.20)

- A computing device is a supply if the acquisition cost is less than $5,000, regardless of the length of its useful life.

Examples of computing devices that are allowable when they are essential for the project include:

- **Computers** - Including, but not limited to, desktop computers and laptop computers.
- **Electronic Devices** - Including, but not limited to, tablets, iPads, printers, external hard drives.

*This list is not all-inclusive but represents the most common computing devices on sponsored awards.*

Factors to consider when determining if costs are essential and allocable are:

- The need has been included in the original proposal and completely justified as to the reason it is being included in the project budget.
- It has been approved by the sponsor as part of the budget and award process.
- The device is necessary for the performance of the project.
- The project will be negatively impacted by not purchasing the computer or electronic device.
- The purchase must represent good stewardship of sponsor funds and the stated objectives of the project.
- The costs are reasonable and directly benefit the project.
Intended Audience:

- Faculty and Staff
- Director, Department Chair, Division Head
- Departmental/Divisional Business Administrators
- Finance Personnel
- Sponsored Programs Administration Personnel

**Treatment of Computing Devices during Proposal Development**

Principal Investigators are strongly encouraged to include any needed computing devices in the proposal budget to justify how each computing device is essential and allocable to the performance of the project. Inclusion in the budget and budget justification enables the sponsor to review and concur with the need for the computing device. Written justification and/or approval is meant to prevent questions regarding the allowability of costs in the event of an audit.

A strong justification explains:

1. A clear description of the device;
2. The cost of the device(s);
3. Why the device is necessary to conduct the project; and
4. How the device will facilitate the project goals as stated in the proposal.

**Treatment of Computing Devices during an Award**

If computing devices are included in the proposal and the Federal agency issues the award without explicitly deleting the cost from the budget, the PI need not take any other action. Sponsored Programs Administration staff will consider the expense to be approved by the agency and, therefore, allowable.

If the need for a computing device arises during the conduct of the project, the Principal Investigator should consult with their Grants and Contracts Associate prior to purchasing the device and provide an explanation of the need in order to confirm (and document) allowability.

Principal Investigators are responsible for adhering to all university IT, purchasing and procurement policies, standards, and guidelines when purchasing computing devices.

**Ownership of Computing Devices**

When a computing device is purchased with sponsor or University funds, the device becomes NIU property. The device should be retained by the department; and after the end of the award, the device should be made available for other ongoing research activities. When the device is no longer needed for research or other university activities, it should be disposed of in accordance with University policies.

**Non-Federal Sponsors**

The guidance for non-Federal sponsors is similar but may be more flexible. These sponsors may also restrict the direct charging of computing devices. It is important to be familiar with the program guidelines, terms and conditions.