

**Guidance for Purchasing Computing and Electronic Devices and charging Managed IT Services (MITS) costs on Federal Awards. MITS costs have two components, a per employee charge (including Skype) and a per device charge. The per device charge covers IT support and the device.**

**(effective 6/03/2021)**

### **Federal Regulations Regarding Computing Devices and Related Costs on Federal Awards**

Uniform Guidance, 2 CFR §200.453, part (c), states: In the specific case of computing devices, charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award.

Uniform Guidance, 2 CFR §200.20 and 2 CFR §200.94 states: 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.

Uniform Guidance, 2 CFR §200.94 states: A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life.

### **Criteria for Evaluating Allowability of Computers and Computer Related Costs**

The following criteria should be used to determine whether a device is essential, allocable and reasonable:

- The need for the computing device was included in the original proposal and a justification as to the reason it is being included in the project budget narrative.
- It has been approved by the sponsor as part of the award.
- The device is essential for the performance of the project. If it is not essential, it is not allocable as a direct cost to the award.
- The project performance will be significantly impacted by not purchasing the computer or electronic device.
- The costs are reasonable (informed purchase of a device that is a reasonable cost, quality and utility) and directly benefits the project.

### **Obtaining Sponsor Approval for Purchasing Computing Devices**

#### **Pre-Award**

Computing devices and allocable MITS costs should be listed under supplies or purchased services in the proposal budget and budget narrative if the cost is less than \$5,000. A thorough justification should be included in the budget narrative as to why these devices are essential and allocable to the success of the award. Including these costs in the proposal will provide documentation of sponsor approval and allowability of these direct costs.

#### **Post-Award**

Because every cost cannot be anticipated at the proposal stage, the purchase of computing devices and allocable MITS costs may be necessary after the award is funded. In the event a post-award need arises and prior to its purchase/lease, the PI/Department should contact their SPO with the request and provide a detailed justification for the purpose of the device and how it's essential and allocable to the award. With all the appropriate documentation, the SPO will either approve the request or will contact the sponsor for approval.

In the event any computing device or MITS costs are deemed unallowable, the expense will be transferred back to the PI's department.