Important Changes for ITS FTE Billing and Telecom Infrastructure Bundle Charges to Federal Awards

Effective Monday October 11, 2010, Yale policy no longer permits the direct charging of expenses recorded in expenditure types 831175 (Telecom Infrastructure Bundle) and 832150 (ITS FTE Billing) to *federally* sponsored awards. It is important to note, these charges may be appropriate in limited situations such as dedicated server connections or for a hotline needed to accomplish the specific aims of the project(s) and must be approved by the Office of Grant and Contract Financial Administration (GCFA) *in advance*. Telecom Infrastructure Bundle and ITS FTE Billing are to be treated as Facilities and Administrative (F&A) costs and are not to be directly charged to *federally* sponsored awards. Consequently as a normal course of business, these costs may no longer be included in proposal budgets to sponsoring agencies. For additional information and policy reference, please refer to the updated **Policy 1403-Charging of Administrative and Clerical Salaries and Certain Other Expenses to Federal Funds**.

This policy change will permit consistent recovery of these costs through the Facilities and Administrative (F&A) Rate mechanism. As required by federal regulations, costs incurred for the same purpose in like circumstances must be treated consistently as either direct or F&A costs.

Consequently, for those departments in the School of Medicine, BMS will no longer allow for or accept entry of federal awards for FTE and Telecom Infrastructure Bundle billing purposes. To assist in the initial transition, YSM Financial Operations will forward each department a detailed list of billing records currently charged to federal awards and ask that you update these records prior to the October month-end billing cycle. Any records with federal awards that are not updated will be charged to your department default account.

Please note that if you previously selected the BMS billing option to distribute these charges based upon an individual’s Labor Distribution schedule, you will need to monitor for federal awards on an ongoing basis, since Labor Schedules change over time. Please use the “Billing Distribution Report” in the BMS billing application to facilitate the ongoing monitoring.

Please feel free to contact your GCFA representative or YSM Financial Operations if you have any questions or need additional assistance.