

2 *Code of Federal Regulations, Part 200*, clarifies what constitutes direct costs versus indirect costs for federal awards.

The only body that can approve the *CFR* is Congress. The work of university stakeholders applying to federal grant programs is to correctly apply the *CFR*. University Initiatives has developed resources to provide guidance, with explanations including examples of how to correctly apply the *CFR*.

The four *CFR* sections below explain with brevity under what circumstances those costs that one might consider indirect costs can be charged as direct costs. For example, administrative and clerical salaries; special purpose equipment; and a range of project-specific supplies and services may be charged as direct costs if these **“can be directly assigned to [a federal award] relatively easily with a high degree of accuracy.”**

#### [2 CFR 200.412 Classification of costs](#)

#### [2 CFR 200.413 Direct Costs](#)

#### [2 CFR 200.414 Indirect Costs](#)

#### [Appendix III to Part 200: Indirect \(F&A\) Costs Identification and Assignment](#)

University Initiatives provides these resources to help you correctly apply the *CFR* in four key areas:

1. “University Initiatives Guidance: Executive, Administrator, and Professional (EAP) Salaries per *CFR*”
2. “University Initiatives Guidance: Administrative and Clerical Salaries per *CFR*”
3. “University Initiatives Guidance: Equipment per *CFR*”
4. “University Initiatives Guidance: Supplies and Services per *CFR*”

**Note:** Administration of externally funded projects complies with the sponsor’s, the Foundation’s, and the University’s policies and procedures. In the event that one policy is more restrictive, the more restrictive policy applies.

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