

J.52 Transportation Costs (aka freight, shipping, postage)

(Found on page 88 in the NCURA's Orange colored guide)

J.52. Transportation costs.

Costs incurred for freight, express, cartage, postage, and other transportation services relating either to goods purchased, in process, or delivered, are allowable. When such costs can readily be identified with the items involved, they may be charged directly as transportation costs or added to the cost of such items. Where identification with the materials received cannot readily be made, inbound transportation cost may be charged to the appropriate F&A cost accounts if the institution follows a consistent, equitable procedure in this respect. Outbound freight, if reimbursable under the terms of the sponsored agreement, should be treated as a direct cost.

What does this mean? It means shipping cost **directly** related to the research is allowable on a sponsored project. Shipping samples, shipping data, and paying for shipping as a part of a supply/equipment order is allowable on a federal grant.

What type of shipping cost is **not** allowable on sponsored projects?

- Cost to ship/mail proposal work is not allowed on a sponsored project.
- General purpose shipments and correspondence is not allowable and should be treated as F&A cost (aka, overhead, indirect).
- Any shipping cost if the award specifically doesn't allow it. Example, award only allows salary.
- Personal shipments. Not allowed at all on any UW funding.

Even though shipping costs that directly benefit a project are allowable, they still need to be documented as such. For outbound shipments, the shipper needs to clearly document what has been shipped and briefly explain why it is being shipped. Current UPS CampusShip and FedEx invoices do not provide enough detail. This means it is up to the shipper to provide further documentation. Does your department have a process that clearly describes what was shipped?

What is the correct coding? Any shipment sent outbound via UPS, FedEx, or common carrier should be coded as 3710. Piece mail directly sent via the US Postal Service should be coded as 3700. Any shipping cost charged as a part of an order being shipped to the UW is coded as that particular item. If a lab supply then coded as 3105, if equipment, as 3195.