



WCMC Computing Devices Reference Guide

(Updated: 9/21/2015)

Contents

I. Purpose

II. What is a computing device?

III. Criteria for purchasing/budgeting a computer on an award/proposal

IV. Budget/Budget Justification Guidance

V. Sample budget justifications

VI. Important Reminders

I. Purpose

This document is intended to provide detailed guidance on the circumstances under which the purchase of computing devices and peripherals are allowable and provides further guidance on how to rationalize why the computing device may be a justifiable direct cost purchase or budget item on an award/proposal.

II. What is a computing device?

- The term “computing device” encompasses all information technology devices including high-end mainframes, minicomputers, personal computers, tablets, notebooks, iPads, docking stations and other peripheral devices, regardless of whether the item meets the \$5,000 capital equipment threshold. Other computer-related equipment includes printers, scanners, bar code readers, and connectivity devices (routers, modems, etc.).
- [NIHGPS 2015](#) defines “peripherals” as accessories for printing, transmitting and receiving, or storing electronic information (see also NIH definition of “*supplies*” and “*information technology systems*.”).
- The Uniform Guidance classifies computing devices as *materials and supplies* and allows for the direct charging of these costs to a Federal award (based on the criteria outlined in the next section). Computer equipment costing \$5,000 or more is still classified as general purpose equipment and normally may not be charged as a direct cost unless approved by the awarding agency.

III. Criteria for purchasing/budgeting a computer on an award/proposal:

1. It must be **necessary** for and provide benefit to the project.
 - a. The computer must be essential for project activities
2. It must be **allowable**.
 - a. The sponsor permits the use of funds for this purpose.
3. It must be **allocable**.
 - a. The computer is to support the project’s programmatic activities, and it would not have been purchased other than to support the goals of the project.
 - b. If the computer is also to be used for general administrative or instructional purposes, the cost must be allocated based on the estimated use.
 - c. A computer may be allocated (distribute the cost) to one or more sponsored projects. There should be documentation that supports the allocation.



- i. The device's cost must be properly allocated to *all* benefitting activities, including instructional and administrative responsibilities.
- ii. If a device will be used only in part for an award's activities, the award may only be charged for a portion of the device's cost. The portion charged to the award cannot exceed the estimated portion of the device's use for that award. While it is not expected that the device's useful life will match the award period, care should be taken to avoid having the award bear more than its fair share.
- iii. De minimis use of the device for non-award activities is allowed. For example, someone checking their personal email or someone working primarily on an award preparing a guest lecture for a class.

4. It must be **reasonable**.

- a. There must be an informed, prudent decision regarding the cost, utility, and value of the computer to the sponsored project

IV. Budget/Budget Justification Guidance

Table 1 below illustrates *exceptional* examples where programmatic personnel should be able to justify with ease why the computing device is necessary and essential to the research project. Conversely, table 1 also illustrates *non-exceptional* examples where it may be difficult to explain why the computing device is necessary and essential to the research project's success.

Table 1: Exceptional vs. Non-exceptional reasons to justify the purchase/budgeting of computing devices on Federal awards/proposals	
Exceptional	Non-exceptional
1. Controlling an instrument	1. Preparing proposals
2. Acquiring data from an instrument	2. Preparing progress reports related to the research
3. Numerical calculations and simulations	3. Preparing publications related to the research
4. Image and video analysis	4. Preparing presentations related to the research
5. Data analysis and manipulation	5. Accessing library resources (journals, books, etc.)
6. Data mining	6. Admin. activities including email, internet research,
7. Writing computer code	
8. Data storage for the sponsored projects	
9. Preparation of testing materials and recording of	



V. Example budget justifications

Example 1

Three laptop computers (\$1,000 each) are requested. Research personnel (GRAs and RAs) will utilize the laptops in the field to record data during interviews with human subjects, assist with statistical analysis, and facilitate communications among research project personnel during the 12-month survey period.

Example 2

Computer: Laptop (\$989) needed for project-dedicated observations and travel between the telescope in Chile and Purdue.

Example 3

This program project will require extensive word processing, record keeping, maintenance of large databases, and data analysis. For this reason, we request 2 IBM compatible Pentium II-level workstations (\$1,400.00 each), which each include CPU, color monitor, graphics card, keyboard, and a minimum 64 gigabyte hard drive.

VI. Important Reminders

1. During the proposal preparation process, if it is determined a computer will be necessary for the project, the computer should be budgeted and the cost justified. The justification must describe how the computer directly benefits the project.
2. Receipt of a new award does not automatically mean that a computer can be purchased to support the project. The computer should be essential to the project. Justification of the item must occur prior to purchase, and it is recommended that this occur within the proposal.
3. If the cost of the item will be split amongst several accounts, ensure there is documentation supporting the cost allocation. Federal guidance allows flexibility in allocating the cost “on any reasonable basis”.
4. Computer purchases in the final months of a project period raise audit concerns. What is the benefit to the sponsored project? Obtain documentation and keep for audit purposes. All charges to a project, particularly in the last 90 days of the project period, must be allowable and allocable as a direct cost, and be reasonable and necessary for the conduct of remaining project activities. If the computer is expected to be used beyond the project expiration date, the cost should not be allocated 100% to the expiring project unless continuation funding from that same sponsor is expected.
5. Charging computing device purchases to use up remaining funds at the end of a project are not allowable.