Consistent treatment of costs is a basic cost accounting principle and is specifically required by Circular A-21 to assure the same types of costs are not charged to federally sponsored agreements both as direct costs and as indirect (Facilities and Administrative) costs. This concept is reinforced and emphasized in one of the Cost Accounting Standards (referred to as "CAS 502") incorporated into Circular A-21 as noted above. In the May 8, 1996 revision to Circular A-21, the term “indirect costs” was replaced with the more descriptive term “facilities and administrative (F&A) cost.”

Consistency in this context means all costs incurred for the same purpose, in like circumstances, must be treated uniformly as either direct costs or as indirect costs. For example, certain types of costs, such as the salaries of administrative and clerical staff, office supplies, postage, etc. are normally treated as indirect (facilities and administrative) costs. These same types of costs cannot be charged directly to federally sponsored agreements, unless the circumstances related to a particular project are clearly different from the normal operations of the institution. For example, although postage is normally treated as an indirect cost, a particular project may have a special need for postage because of the mailing of 20,000 survey questionnaires. In this case, it would be appropriate to charge the project directly for the postage to mail the questionnaires, since this would constitute "unlike circumstances" compared to routine postage requirements.

The consistency standard must be applied to all departmental administrative expenses. Departmental administrative expenses normally include such activities as answering the telephone, making appointments, performing word processing tasks, preparing proposals, making travel arrangements, ordering supplies, and keeping records for the department or unit. The costs associated with these activities normally consist of administrative and clerical salaries, office supplies, postage, local telephone service (including basic service for modems and Ethernet connections), memberships, and other similar costs.

Circular A-21, Section F.6.b. states:

"(2) The salaries of administrative and clerical staff should normally be treated as facilities and administrative (indirect) costs. Direct charging of these costs may be appropriate where a major project or activity explicitly budgets for administrative or clerical services and individuals involved can be specifically identified with the project or activity. “Major project” is defined as a project that requires an extensive amount of administrative or clerical support, which is significantly greater than the routine level of such services provided by academic departments. Some examples of major projects are described in Exhibit C of OMB Circular A-21."