

FACILITIES & ADMINISTRATIVE (F&A) COST POLICY

Policy Applicability & Collection of F&A Costs

The following policy regarding collection of F&A costs applies to all proposals for sponsored projects submitted on or after July 1, 2006. F&A costs must be included in the budgets of proposals for grants, contracts, cooperative agreements, and subrecipient agreements (sponsored project agreements) when allowable. An abbreviated version with major points of USI's policy is described below. The complete policy is available on the <Sponsored Research Web site>. (<http://www.usi.edu/sro/referenceinfo.asp>)

Facilities and Administrative Cost Policy

If a sponsor's written policy or proposal guidelines place a limit on the percentage or amount of F&A costs that may be recovered on a sponsored project agreement, then USI will request F&A costs in accordance with the sponsor's requirements.

If a sponsor does not specify a F&A rate, then F&A costs will be requested as follows:

- Federal Grants, Contracts, Cooperative Agreements, and Subrecipient Agreements (Sponsored Project Agreements): F&A costs will be requested at the USI federally negotiated rate.
- Non-Federal Grants, Contracts, Cooperative Agreements, and Subrecipient Agreements (Sponsored Project Agreements): In the absence of a published sponsor policy stating the amount or rate of F&A cost recovery, sponsored projects with local governmental units in the state of Indiana, nonprofit organizations, and industries shall be a rate appropriate to the project but no less than 10% of total direct costs, unless the funds are federal flow-through in which case the university's approved federal F&A rate shall apply.

When the USI Foundation is the applicant of record: F&A costs will be requested at a rate appropriate to the project but no less than 10% of the total direct costs. For Federal grants, contracts, cooperative agreements, and subrecipient agreements (sponsored project agreements), USI's federally negotiated rate will be used as a guide for applicable projects.

An exception to the F&A cost recovery policy may be warranted if it is clearly in the best interest of the University to accept the sponsored project with less than full F&A cost recovery and only when appropriately justified. The approving authority for an exception to the F&A cost recovery policy is the director of Graduate Studies & Sponsored Research, who will consult with the dean of the principal investigator's college. The approval to waive or reduce F&A costs requested must occur prior to the submission of a proposal.

Research Incentive Distribution of F & A Costs

The following policy regarding distribution of F&A costs effective July 1, 2006, applies to all grants, contracts, cooperative agreements, and subrecipient agreements (sponsored project agreements):

- Thirty percent (30%) to the department of the principal investigator.
- Twenty five percent (25%) to the college or equivalent administrative unit.
- Five (5%) to Rice Library.
- Thirty percent (30%) to the Sponsored Research Office (SRO).
- Ten (10%) percent to the University General Fund.

Special Cases: In the case of collaborative proposals involving multiple departments, colleges, or administrative units, the distribution plan for sharing the departmental and college shares of recovered F&A costs must be agreed upon and indicated on the USI Internal Routing Form prior to the proposal's submission. These collaborative distribution plans must be approved by the director of Graduate Studies & Sponsored Research and the cognizant dean(s) or equivalent administrator(s).

All F&A costs recovered on grants, contracts, cooperative agreements, and subrecipient agreements (sponsored project agreements) awarded to the USI Foundation on behalf of USI will be distributed according to the circumstances that generated the funding and as a result of the partnerships that complete the related sponsored project agreement. These distributions must be approved by the director of Graduate Studies & Sponsored Research and the cognizant dean(s) or equivalent administrator(s).