


<p>CAMPUS POLICY</p>  <p>UNIVERSITY OF COLORADO at COLORADO SPRINGS</p>	POLICY NUMBER: 900-002	PAGE NUMBER: 1 of 3
	CHAPTER: Research	
	SUBJECT: Facilities and Administrative Rate Reduction and Waiver	
	EFFECTIVE DATE:	
	SUPERSESION: April 6, 2006	
OPR: VCAA VC: Academic Affairs	APPROVED:	

I. POLICY

Facilities and Administrative (F&A) costs are real costs incurred by the campus, associated with all externally-sponsored projects, regardless of funding source. Any project budgeted at less than the federally approved rate is being subsidized by the other funded projects. But there still may be valid reasons for reducing or waiving these F&A costs on certain projects. Such waivers would reflect the tradeoff between the need to cover the real (F&A) costs against the need for the campus to meet other strategic goals.

II. AUTHORITY FOR CAMPUS POLICIES

Authority for the creation of campus administrative policies is found in The Laws of the Regents, 2007, Article 3 Section B.5(A) which states:

The chancellor of [~~deleted “the”~~] each campus shall be the chief academic and administrative officer responsible to the president for the conduct of affairs of their respective campus in accordance with the policies of the Board of Regents. The chancellor shall have such other responsibilities as may be required by these Laws, or Regent policy, or as may be delegated by the president.

III. PURPOSE

This policy defines the conditions under which F&A costs may be reduced or waived and outlines the procedures to be followed when requesting a reduction or waiver. F&A rates and appropriate waiver conditions for all sponsored programs regardless of the funding source are guided by federal cost principles.

IV. DEFINITIONS

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Administrative Costs: Those costs associated with centralized administrative services within a department, school, and campus. For example, administrative costs include the costs of providing financial information about projects to internal and external constituents.

Direct Costs: Those costs on a sponsored program that can be identified with a specific UCCS activity or that can be assigned to such activities relatively easily with a high degree of accuracy.

Comment [GLG1]: Didn't find term elsewhere

Facilities Costs: Costs incurred to pay for physical space including utilities, routine maintenance and repairs, and custodial services.

F&A Rate: Facilities and Administrative Cost Rate is set by negotiation between the institution and the Federal government. It is the percentage of an award that is to be used to determine the facilities and administrative (indirect) costs associated with sponsored program activity.

Facilities and Administrative Cost Recovery: (also referred to as indirect cost recovery or ICR): Refers to the reimbursement by external sponsors to cover the Facilities and Administrative costs (or indirect costs) associated with sponsored program activity.

Government Agency: A government agency is an entity that [deleted "which"] is paid for by public money (e.g., taxes) and may include, but is not limited to, public schools, public health organizations, or city, county, state, and federal agencies.

Non-profit Organization: Any legal entity for purposes other than making profit and whose purpose is related to providing public benefit to those providing, but not limited to, educational, artistic and cultural, or social activities.

F&A Reduction: A request to pay less than the full F&A negotiated rate.

F&A Waiver: A request to pay zero F&A costs.

V. PROCEDURES

A. Conditions Appropriate for F&A Reduction or Waiver Requests

1. Government or non-profit funding agency has a written policy
 - a. By law or regulation, a federal government agency has a reduced F&A rate.
 - b. A non-profit organization has a public, formal written policy on F&A rate, consistently applied.

Rationale: In these cases, either the campus must accept the sponsor's rate policy, or refuse to submit grant applications to such organizations. Given that a major campus initiative is to expand grant proposal activity and funding, under most conditions limiting grant submissions would be inappropriate.

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2. Consideration will be given to other F&A reductions or waivers for non-federal government and non-profit funding agencies when these requests are directly associated with the campus goals listed in the guidelines below. Each request will be considered on a case by case base and are not automatic.

- a. In order to expand the partnerships between the campus and Colorado governmental and non-profit agencies, consideration will be given to reduce F&A costs to 15% if the sponsor is a local or State governmental agency or a non-profit organization.

Rationale: In this case, the campus must trade off the competing needs/goals of covering the real (F&A) costs versus encouraging community engagement and service to the community and State.

- b. In order to provide support for the research programs of pre-tenured faculty, consideration will be given to reducing F&A costs to 15% if the PI is a ~~deleted~~ "an" pre-tenured tenure-track faculty member, has no other externally funded projects, and there is clear evidence that such a reduction will increase the competitiveness of the proposal.

Rationale: In this case, the campus must trade off the competing needs/goals of covering the real (F&A) costs versus assisting and encouraging young faculty to be successful in grant activities, ~~thereby deleted "and thus"~~ strengthening the grant culture on the campus.

3. Other requests will be evaluated on a case-by-case basis.

Rationale: Unanticipated circumstances worthy of a decrease in F&A may need to be considered.

B. Processes for Requesting F&A Reduction or Waiver

- To initiate a request for F&A reduction or waiver under the conditions outlined in A.1., the request and approval will be documented on the proposal routing forms. The PI must attach a copy of the formal policy to the routing form. Signatures by deans, directors, supervisors and other administrators indicate approval of the request. In this case, the F&A distribution back to units will remain the same as outlined in the policy on *Distribution of Indirect Cost Returns (ICR) from Externally Sponsored Programs (900-003)*.
- To initiate a request for F&A reduction or waiver under the conditions outlined in A2 or A3, a written recommendation is required from the appropriate academic

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unit dean or institute director, or in the case of a non-academic unit, the proposed PI's immediate supervisor (and signed by all appropriate deans, directors, or supervisors if there are multiple colleges/institutes/units involved). This recommendation is to include the rationale for such a reduction or waiver and an acknowledgement that the distribution of F&A to the unit will be impacted in accordance with the policy on *Distribution of Indirect Cost Returns (ICR) from Externally Sponsored Programs* (900-003).

This recommendation is then forwarded to the Associate Vice Chancellor for Research, or designee, for approval. This approval is to be obtained prior to contacting the Office of Sponsored Programs for assistance in proposal preparation and/or submission.

VI. RESPONSIBILITY

- A. The Chancellor has delegated authority to the Associate Vice Chancellor for Research to evaluate and approve or deny requests for F&A reductions or waivers on a case by case basis.
- B. Dean and directors have responsibility for understanding implications of reduced F&A to their unit and covering F&A costs for the unit when they allow F&A reductions and waivers.

VII. HISTORY

April 6, 2006.

VIII. ATTACHMENTS

- A. Electronic link to proposal routing form (<http://www.uccs.edu/osp/forms.html>)