Policy 302. Facilities & Administration (Collection & Waiver)

Definitions

For the purpose of this document, **Facilities & Administration** (F & A) also called "indirects" is defined as costs that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity.

> **Facilities** is defined as depreciation and use allowances on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses.
>
> **Administration** is defined as general administration and general expenses such as the director's office, accounting, personnel, library expenses and all other types of expenditures not listed specifically under one of the subcategories of "Facilities".

For the purpose of this document, **Indirect Cost Rate** is defined as a percentage of a base amount established by negotiation with the cognitive federal agency on the basis of the costs expended in the year prior to the rate negotiation. The cognizant federal agency for IUP and the IUP Research Institute is the U.S. Department of Health and Human Services (DHHS). The Indirect Cost Rate is calculated based on salaries, wages and benefits. An IUP Research Institute staff member can provide information regarding the most current Indirect Cost Rate. The most current rate agreement is located on the IUP Research Institute website at www.iup.edu/researchinstitute.

Policy

It is the policy of the IUP Research Institute to recover all allowable F & A costs of sponsored research from the sponsoring funding agency. Only in this manner can the full costs of sponsored projects be recovered by the University and resources be made available to enhance teaching and research initiatives.

Therefore, the maximum permissible amount of indirect costs must be incorporated into proposal budgets for all external funding. Note that the maximum allowable indirect rate is subject to variability among funding agencies. Regardless of the maximum rate allowed by the funding agency, the maximum indirect rate may not exceed the maximum rate approved by DHHS for IUP and the IUP Research Institute.

A project director may request to reduce or waive the indirect cost rate for the proposal. The applicable form must be completed in full and signed by all parties identified on the form. The decision will be made in writing, communicated to the project director and filed in the project folder. Reduction or waiver of indirect costs to enhance the competitiveness of the proposal or as cost-sharing is not permitted.

Under no circumstances will the Indirect Cost Rate be reduced or waived without formal submission and full approval of the Request Form. A Request for Indirect Waiver/Reduction may increase the time required to submit the proposal and therefore should be taken into consideration as the proposal is developed. The request form must be initiated at least 10 working days prior to the proposal deadline to provide time for a proper review and response.

Applicable Documents/Forms

IUP Indirect Waiver/Reduction Request Form

Procedures

1. The IUP Research Institute Project Development Officer will assist the project director with preparation of all internal paperwork (budget and transmittal forms) and assist in determining the highest permitted allowable indirect rate.

2. In the event a waiver or reduction is requested, the project director must complete and submit the Indirect Waiver/Reduction Form through the appropriate authorities at IUP. A minimum of 10 working days prior to the submission deadline is required to ensure appropriate reviews by all parties. Upon receipt of all required approvals, the PI will submit to the Project Development Officer.

3. To request a reduction or waiver in indirect costs on IUP related line items, the Indirect Waiver/Reduction Form must be approved by all parties indicated on the form with final approval held by IUP Provost.