

FACILITIES AND ADMINISTRATION (F&A) COST RATES AND WAIVER OR PARTIAL WAIVER OF FACILITIES AND ADMINISTRATION COSTS

PURPOSE: Establish policy to apply the full relevant Facilities & Administration (F&A) cost rate (previously known as indirect cost rate) to all externally sponsored projects. Establish procedure to request a waiver or partial waiver of F&A costs for specific proposals, and establish criteria on which waiver decisions are based.

I. F&A Cost Rates

A. For grants, contracts and agreements with the federal government, the F&A cost rates shall be those negotiated between Boise State University and the U. S. Department of Health and Human Services; these rates normally include an on-campus rate, an off-campus rate, and a rate for training grants.

B. For grants, contracts and agreements with units of Idaho state, county or city government, the F&A cost rate will be twenty percent (20%) of the total direct cost. In those cases in which the F&A generated on state grants exceeds that which would have been earned if the federal rate were in effect, the Office of Research Administration and the Sponsored Project Accounting Office will review for allowability.

C. For grants, contracts and agreements with private entities, whether profit or nonprofit, the greater of the appropriate negotiated federal F&A cost rate on research projects or twenty-five percent (25%) of total direct costs shall be used.

II. Waiver or Partial Waiver of F&A Costs

A. The policy of Boise State University is to apply the full relevant F&A cost rate to all externally sponsored projects. However, requests for waivers or partial waivers of the F&A costs normally incurred by sponsored projects occasionally are granted by the Office of the Vice President for Research. With the exception of non-profit charitable foundations and a few federal programs, which limit F&A costs as a matter of policy, very few F&A cost waivers are approved.

B. A request for an F&A cost waiver or partial waiver is initiated by the relevant principal investigator (PI) and must be endorsed by the department chair or unit director and college dean. The request is then submitted to the Office of the Vice President for Research by the college dean with the rationale for the request. The vice president for research is responsible for final approval or denial of the

request. As a means of determining the costs and benefits of waiver requests, the following factors will be taken into consideration:

1. the grounds on which the waiver might be justified to other faculty whose projects carry full overhead;
2. the total cost to Boise State University;
3. the likelihood that an award would be seriously jeopardized without a waiver and the potential effect of the loss on the faculty member's overall research program;
4. the benefit of the waiver to new or junior faculty members or in support of research efforts in new directions which otherwise might not be sufficiently developed to attract typical peer-reviewed awards;
5. the effect of a waiver to increase direct costs available for student support.

C. Waiver of F&A costs will not be granted in cases where any of the following apply:

1. the research is sponsored by a profit-making or foreign organization;
2. the research involves any requirements imposed by the sponsor with respect to intellectual property;
3. granting the waiver might appear to establish a precedent for future projects.

D. If F&A costs are anticipated to total more than \$10,000 over the life of the agreement, reduction or waiver of F&A costs must be authorized by the State Board of Education.

E. Since the State Board for Vocational Education does not normally pay Boise State University F&A costs on grants or projects that it funds, these grants or projects are considered to have permanent F&A cost waiver status. Capitalization and veteran's cost-of-instruction grants also are considered to have permanent waiver status.

F. All waivers or partial waivers of normal F&A costs should be noted and approved on the Boise State University Internal Approval Form that is attached to each proposal/grant package presented to the Sponsored Project Accounting Office by the Office of Research Administration for establishment of a new account number.