COLLEGE OF ARTS AND SCIENCES

Facilities and Administrative (F&A) Costs Policy

# 08/03/2023

*Facilities*: depreciation and use allowances, interest on debt associated with certain buildings, equipment and capital improvements, operation and maintenance expenses, and library expenses.

*Administration*: general administration and expenses, departmental and college administration, sponsored projects administration, and all other types of expenditures not listed specifically under Facilities. Administrative costs are capped at 26%.

*Facilities and Administrative (F&A) costs*: those joint costs associated with supplying and maintaining the infrastructure to support the collective research enterprise.

**F&A Rate Policy Statement –** The College of Arts and Sciences requires the use of the federally negotiated rates for all sponsored projects. The University negotiates the F&A rate agreement with the Department of Health and Human Services (DHHS). The formula is based on actual research expenditures incurred by the university. Indirect costs are actual costs associated with conducting research, and their recovery is critical to the financial health of the college and its ability to support and grow the research enterprise.

*Each sponsored project accepted with less than the standard indirect cost rate negatively affects the long-term financial health of the college and the entire university.*

**Only the *Authorized Official* can Negotiate Rates** – While the college encourages investigators to discuss the scope of work with a potential sponsor, investigators are not authorized to negotiate F&A costs. Any *prior understanding* between an investigator and a sponsor regarding F&A rate is not binding for the university or college. The investigator is not authorized to approve any F&A rate on behalf of the college.

**Industry sponsors** will be subject to at least our negotiated F&A rates and all such negotiations with industry sponsors should be conducted by the Office of Sponsored Programs (OSP) or the Technology Commercialization Office (TCO), and not by the investigator.

Please consult with the ASC Director for Research Services and/or the Executive Dean for Research early and often to ensure that any F&A rate discussions that deviate from the above guidance are clearly communicated and agreed in advance of a proposal submission.

\*Federally sponsored clinical trials are subject to the federally negotiated F&A rate. Industry sponsored research that does not meet the definition of a clinical trial is subject to at least the full F&A rate.



**Indirect Rate Approval Matrix**

|  |  |  |
| --- | --- | --- |
| **Situation** | **Approval Needed** | **Support favored** |
| Solicitation/sponsor’s published guidelines or program terms specify an F&A rate less than the current federally negotiated rate | Reduced rate permitted without prior approval. Indicate the reduced rate on the ePA005 and include a comment explaining why. |
| Federal, state, or local statutes or regulations |
| Changes in our federally negotiated rate that result in an increased rate after a project begins |
| New investigators transferring grants to the university from other institutions, at the prior institution’s rate |
| Industry sponsored/funded clinical trials | 26% Total Direct Cost (TDC) rate |
| Conference Proposals | **YES** | **YES** |
| Proposals being submitted by students | **YES** | **YES** |
| Submission would yield strategic partnerships | **YES** | **YES** |
| Submission would be for seed funding | **YES** | **YES** |
| Request relates to the need to spend less on indirect costs and more on direct costs in the proposal or any variation of this argument | **YES** | **NO** |
| To increase the competitiveness/attractiveness of the application | **YES** | **NO** |
| When a reduced rate would not supply equitable treatment to all University researchers applying to the same sponsor | **YES** | **NO** |
| The intellectual property rights of an award do not remain with the University | **YES** | **NO** |
| Precedent | **YES** | **NO** |

**How to Request a Waiver of the Standard Indirect Cost Rate –** The College of Arts and Sciences will approvevery few waiver requests, and none that do not follow the request procedure. If an investigator wishes to request a waiver of the standard indirect cost rate, prior written approval from the ASC Executive Dean for Research or designee is required.

1. To request Waiver from the college, send an email explaining the circumstances to the Assistant Director for Research Services, Amy Raubenolt (raubenolt.17@osu.edu), copying the Associate Dean for Research, Dr. Chris Jaroniac (jaroniac.1@osu.edu) and Kimberly Kinsel, (kinsel.21@osu.edu).

The college must receive the request at least **one week before** the proposal’s deadline.

1. The college will review the request, coordinating with other colleges as needed. The investigator will receive a decision via email.
2. Upload a copy of that approval to the ePA005 – OSU Authorization to Seek Off-Campus Funding form and indicate the indirect rate on that form.

