



UCCS CAMPUS POLICY

Policy Title: Facilities and Administrative Rate Reduction and Waiver

Policy Number: 900-002

Policy Functional Area: RESEARCH

Effective: June 19, 2015
Approved by: Pam Shockley – Zalabak, Chancellor
Responsible Vice Chancellor: Executive Vice Chancellor of Academic Affairs (EVCAA)
Office of Primary Responsibility: EVCAA
Policy Primary Contact: AVC Research, 719-255-3779
Supersedes: April 6, 2006
Last Reviewed/Updated: June 19, 2015
Applies to: UCCS Administration

Reason for Policy: 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.

I. INTRODUCTION

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. Nevertheless, there 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. POLICY STATEMENT

A. 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 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.

B. Procedures:

1. Conditions Appropriate for F&A Reduction or Waiver Requests
 - a. Government or non-profit funding agency has a written policy
 - i. By law or regulation, a government agency has a reduced F&A rate.
 - ii. 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.

- b. 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.
 - i. 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.

- ii. 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 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 strengthening the grant culture on the campus.

- c. 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.

2. Processes for Requesting F&A Reduction or Waiver
 - a. 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)*.

- b. To initiate a request for F&A reduction or waiver under the conditions outlined in A.2. or A.3., a written recommendation is required from the appropriate academic 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.

C. Responsibility:

1. 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.
2. 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.

III. KEY WORDS

- A. Administrative Costs
- B. Direct Costs
- C. Facilities Costs
- D. F&A Rate
- E. Facilities and Administrative Cost Recovery
- F. Government Agency
- G. Non-profit Organization
- H. F&A Reduction
- I. F&A Waiver

IV. RELATED POLICIES, PROCEDURES, FORMS, GUIDELINES, AND OTHER RESOURCES

- A. Administrative Policy Statements (APS) and Other Policies
- B. Procedures
- C. Forms
- D. Guidelines
- E. Other Resources (i.e. training, secondary contact information)
 - 1. Proposal routing form can be found at <http://www.uccs.edu/osp/resources/forms.html>
 - 2. Distribution of Indirect Cost Returns (ICR) from Externally Sponsored Programs (UCCS Policy 900-003)
- F. Frequently Asked Questions (FAQs)

V. HISTORY

Initial policy approval	April 6, 2006
Revised	June 19, 2015