



**BOISE STATE UNIVERSITY**

University Policy 6100

## Allocation and Distribution of Recovered Facilities and Administrative Costs

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### **Effective Date**

October 2008

### **Last Revision Date**

April 2020

### **Responsible Party**

Vice President for Research and Economic Development, (208) 426-5732  
Associate Vice President for Sponsored Programs, (208) 426-4420

### **Scope and Audience**

This policy applies to all Sponsored Project activity.

### **Additional Authority**

- State Board of Education Policy, Section V.N.
  - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR § 200.414
  - University Policy 6080 (Facilities and Administration “F&A” Cost Rates and Waiver or Partial Waiver of F&A Costs)
  - University Policy 5010 (Research Faculty Policies and Procedures)
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## 1. Policy Purpose

To establish the policy for distributing Facilities and Administrative (F&A) costs, also known as indirect costs, which are recovered in the course of Sponsored Project activity.

## 2. Policy Statement

F&A costs recovered from Sponsored Projects allow the University to invest valuable resources back into the Sponsored Project-related activities of its faculty, staff, and students. F&A costs are real costs incurred by the University and as such, shall be used to support only Sponsored Projects and other research-related activities.

## 3. Definitions

### 3.1 Facilities and Administrative (F&A) Costs

Costs the University incurs to support externally-funded projects, programs, or activities. Unlike direct costs, these cannot be easily identified with and charged directly to a project, program, or activity with any reasonable degree of accuracy or without an inordinate amount of accounting. Examples include operation and maintenance of buildings and grounds, utilization of equipment and libraries, and administration of projects or programs at the institutional, college, and department levels.

### 3.2 Sponsored Projects

- a. A grant, contract, cooperative agreement, sub grant, subcontract, consortium agreement, purchase order, or memorandum of understanding (hereafter collectively referred to as a “sponsored project”) that formalizes the transfer of money or property from a sponsor in exchange for specified activities (e.g., research and development, instruction, public services etc.), and may require specific deliverables such as detailed financial and/or technical reporting by the recipient. Performance is usually to be accomplished within a specified time frame, with payment subject to revocation. It may include provisions related to intellectual property and publication rights. The University’s Office of Sponsored Programs in the Division of Research and Economic and Development is responsible for accepting and administering sponsored projects.

### **3.3 Facilities and Administrative Cost Rate**

The amount of F&A costs to be recovered from the sponsor depends upon the rate (percentage of the direct cost base) allowed by or negotiated with the sponsor.

The rate at which F&A costs are calculated is determined by factors such as the rates negotiated with the federal government, as well as the type of sponsor (federal, state, private industry, etc.), the nature of the project (research, instruction or other activity), and the location of the project (on or off campus). Unless there is a compelling reason to do otherwise, the University applies its full federally-negotiated F&A rates for all Sponsored Projects.

### **3.4 Facilities and Administrative Cost Recovery (or Recovered F&A)**

Describes the reimbursement by the sponsor of F&A costs incurred by the University in support of Sponsored Projects.

## **4. Responsibilities and Procedures**

### **4.1 Allocation of Recovered F&A Costs**

#### **4.1.1 Sponsored Projects Involving a Single College, School, Department, or Other Unit**

To stimulate further research, instruction, and other Sponsored Project activity, the University allocates the F&A recovery as outlined below. The allocation is made on an individual Oracle Financial Cloud (OFC) project basis, depending on the actual amount recovered from the sponsor, and includes distribution to the college, department, Finance and Administration, and the Division of Research and Economic Development University Policy 5010 (Research Faculty Policies and Procedures) governs required funding by the college/school for the research faculty member's base salary and vacation.

Area Percentage:

- Vice President for Finance and Administration 15
- Department/School 30
- College 20
- Vice President for Research and Economic Development 35

The academic department is encouraged to return a portion of their F&A allocation to the principal investigator(s), project director(s), and co-principal investigators for use in further development of their specific research and creative activities.

#### **4.1.2 Sponsored Projects Involving More than One College, School, Department, or Other Unit**

Recovered F&A costs will be allocated by OFC project number to the appropriate area in proportion to the expenditures eligible for F&A recovery which are incurred in the course of carrying out the Sponsored Project unless otherwise negotiated, in writing, between the participants. The allocation of recovered F&A costs to the Vice President and Chief Financial Officer and the Vice President for Research and Economic Development, in these cases, will remain the same regardless of the provisions of this written agreement.

#### **4.1.3 Sponsored Projects Administered by a Research Center, Institute, Core Facility, or Laboratory**

A portion of the college's and the department's F&A recovery may be allocated to an institute, center, or core facility per a written agreement between its director(s) and the dean(s). The allocation of recovered F&A costs to the Vice President and Chief Financial Officer and the Vice President for Research and Economic Development, in these cases, will remain the same regardless of the provisions of this written agreement.

#### **4.1.4 Sponsored Projects Administered by the Division of Research**

Recovered F&A costs will be allocated to the Vice President and Chief Financial Officer and to the Vice President for Research and Economic Development in amounts equal to 15 percent and 85 percent, respectively.

#### **4.1.5 Sponsored Projects Administered by the Graduate College**

F&A costs are allocated to the Graduate College, Vice President and Chief Financial Officer, and Vice President for Research and Economic Development in amounts equal to 50 percent, 15 percent, and 35 percent respectively.

#### **4.1.6 Special Circumstances**

In unique circumstances, the Vice President for Research and Economic Development in consultation with the President may determine it is in the best interest of the University to continue the development of the research mission by reallocating the above percentages as needed.

## 4.2 Distribution of F&A

- a. Recovered F&A costs are distributed by the Office of Sponsored Programs (OSP) via a monthly OFC allocation process. In the unusual event of non-payment by the sponsor, previously distributed F&A funds equaling the unpaid F&A costs will be reversed by OSP upon approval of the Vice President for Research and Economic Development, or designee.
  - b. The distribution of recovered F&A costs may be delayed or withheld if a Sponsored Project is deemed to be noncompliant with fiscal, programmatic, and/or administrative requirements, including but not limited to late technical/programmatic reports, until the outstanding requirements have been met. Prior to withholding F&A costs, the Vice President for Research and Economic Development and dean, or equivalent administrative unit head, will agree in writing a plan to correct the noncompliant issue(s).
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## Revision History

March 2013; April 2020