



Policy: Facilities and Administrative (F&A) Costs for Sponsored Programs	Policy No: S4.4
Policy Developer(s): Office of Sponsored Research	Original Date: May 18, 2018
Last Review Date:	Approval Date: October 17, 2019

- I. **POLICY:** Appropriate Facilities and Administrative (F&A) Costs, also known as Indirect Costs (IDC), must be included in all requests for externally-funded sponsored programs. Waiver requests for proposals for Federal (including pass-through) funding require approval of the Associate Academic Vice President. All other waiver requests for non-Federal funding may be approved by the appropriate Dean or Chair or their appointed designees.
- II. **PURPOSE:** This policy is to provide direction for recovery of all program costs of grants and contracts by requiring that Facilities and Administrative Costs are included in the proposed budgets. F&A costs are costs that are incurred for common or joint objectives and cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. [45 CFR 75 Uniform Administrative Requirements, Cost Principles and Audit Requirements for HHS Awards](#) and [2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) provides guidance on determining whether a cost can be directly charged to a sponsored project or if it should instead be included as F&A. It is important to collect full F&A costs in order to offset the full costs of conducting research and other sponsored programs. These costs are reflected in the Facilities and Administrative Cost Rate Agreement negotiated between John Carroll University (the University) and the U. S. Department of Health and Human Services.
- III. **SCOPE:** This policy applies to all University faculty and staff involved in the development and submission of proposals for external support.
- IV. **PROCEDURE:** Full F&A cost recovery should be included in all sponsored program proposals in accordance with the current approved Department of Health and Human Services (DHHS) IDC rate agreement unless a waiver is granted or where sponsor guidelines or written policies limit the F&A rate to less than the University's negotiated rate. The F&A cost rates are set through periodic negotiations with the federal government to recover actual expenses incurred by the University. Exceptions to the policy are made for proposals where the agency guidelines state that no F&A costs or less than full F&A costs will be paid. Non-federal organizations whose guidelines will not permit F&A costs should be reviewed to determine if some of the F&A items might be included as direct costs. Proposals to commercial sponsors or for Federal funds (including pass-through) should normally include full F&A recovery.

S4.4 Facilities and Administrative (F&A) Costs for Sponsored Programs

Waiver requests for Federal (including pass-through) funding are to be initiated by the academic department and approved by the Dean or Chair and the Associate Academic Vice President or his designee.

A. Indirect Cost Rate Agreement: The University successfully negotiated an Indirect Cost Rate Agreement with the Department of Health and Human Services. The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government. Please contact the Office of Sponsored Research for a copy of the current IDC Rate Agreement.

V. CROSS REFERENCES:

- A. [University Policies](#), including but not limited to
 - 1. Sponsored Research Policies
 - 2. Bank Account Reconciliation
- B. Federal Regulations, Statement, and Mandates
 - 1. [45 CFR 75.414](#)
 - 2. [2 CFR 200.414](#)
 - 3. [HHS Grants Policy Statement](#)
 - 4. [HRSA Legislative Mandates in Grants Management for FY 2018](#)
 - 5. [NIH Grants Policy Statement](#)
 - 6. [NSF Proposal and Award Policies and Procedures Guide](#)

This policy will next be reviewed five years from the date of last review.