

	<p><i>Policy Title:</i> Facilities and Administrative Proposal Guidelines, Distribution of Revenue, and Use of Funds</p> <p>Effective Date: 04/10/18</p> <p>Prior Effective Date: 7/01/2015, 09/25/2013, 07/01/2008 (Previous title: Facilities and Administrative Distribution)</p> <p>Enabling Acts: University Board Approved Resolution</p>	<p><i>Policy Number:</i> 2.1.11</p> <p>Policy Owner(s): Sr. VP for Administration and Finance VP for Research</p> <p>Responsible Office(s): Sponsored Research Services</p>
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Background

In 1947, the federal government realized that in order to have a successful university-based research infrastructure that supported federally funded research programs, institutions incurred indirect costs involving support of facilities and administration beyond the obvious direct costs of actually performing the research. This additional “indirect” cost has been supported by the federal government since that time. Indirect costs are also called “Facilities and Administrative” or F&A costs. Besides supporting the institutional costs, the university made the decision some time ago to allocate a portion of the F&A reimbursement to the deans and their departments based on the amount of F&A brought in by grants in their programs, to support the research infrastructure required at the college and department level.

Application Guidelines

The following guidelines shall be applied to the submission of proposals in order to achieve appropriate F&A cost recovery. The guidelines also apply to grants and contracts that are awarded without the submission of a formal proposal. Government Cost Compliance publishes approved F&A rates at <http://www.uc.edu/af/gcc.html>.

Proposals submitted to the federal government shall include the appropriate published F&A rate except where an agency rate is specified or the nature of the program precludes F&A cost recovery by policy or statute.

Proposals submitted to any state or local government agencies shall contain the appropriate published F&A rate except where an agency rate is specified. If the agency sets specific rates for F&A, the maximum allowed rate must be used.

Proposals submitted to private nonprofit associations and foundations must contain the appropriate F&A rate consistent with established association/foundation written policies. If policy statements are ambiguous regarding the level of F&A support, the Office of Research must determine the appropriate rate to be applied prior to the

submission of any proposal. University acceptance of these awards does not constitute a waiver of F&A costs.

Proposals submitted to profit making corporations must contain the appropriate F&A rate.

Any F&A cost rate that differs from the maximum allowed **must** be approved by the Vice President for Research prior to proposal being submitted to the agency.

Proposals that do not follow the above guidelines may be subject to a revised distribution of F&A revenue at the discretion of the Vice President for Research.

Distribution Policy

Pursuant to university approval, the distribution formula for Facilities and Administrative costs (also called indirect costs) associated with sponsored programs as well as technical assistance agreements shall be as follows:

- General Funds 52% of total F&A revenue
- Research Support Units annual approved budget funded by F&A revenue
- Research Cost Share 1.5% of the remaining F&A revenue
- College receives remaining F&A revenue
- Laboratory Animal Medicine (LAMS) F&A generated in support of laboratory animal facilities will be allocated entirely to the research facilities fund

Use Policy

Research Support Units shall use F&A revenue to support the operations of the Office of Research.

Research Cost Share shall use F&A revenue to support the direct costs of externally funded grants and contracts at the discretion of the Vice President for Research. Carryover of funds into the next fiscal year is allowable.

Colleges/Deans shall use F&A revenue to support the research mission of their college/units. Carryover of funds into the next fiscal year is allowable.

Related links:

[Office of Research](#)
[Government Cost Compliance](#)

Phone Contacts:

Office of Research 556-2628
Sponsored Research Services 556-5969