

UNIVERSITY OF NEVADA, RENO
FACILITIES AND ADMINISTRATIVE COST WAIVER
ADMINISTRATIVE POLICY

Effective Date: July 2005

Introduction and Purpose

Facilities and Administrative Costs (F&A), also known as indirect costs and overhead, are those costs that cannot be separately identified with a specific project, but which are nevertheless incurred by the University as a consequence of conduct of a sponsored project. They are costs that are incurred for common or joint objectives and therefore, can not be identified readily and specifically with a particular sponsored project. The University cannot afford to accept funds for activities without recovering the total (direct and F&A) costs of proposed research and scholarly activities. When the University must pay these costs from their own funds, money must be diverted from other needs. On rare and unusual circumstances, the University may agree to waive F&A based on an assessment of the value of a program to the University as a whole and not just to a specific investigator or department.

The primary purpose of this policy is to 1) provide consistency in how requests for waivers of F&A will be treated consistently and equitably across campus. 2) expressly provide for particular waivers and 3) eliminate historical waivers that are no longer justifiable.

POLICY

It is the policy of the University to collect the full amount of the negotiated F&A rate on all sponsored projects.

Definition of an F&A Waiver: The difference between the University's approved F&A rate and the sponsor's F&A rate. All waivers must be approved by the Director of Sponsored Projects or the Vice President of Research.

If a sponsor reduces funds for a proposed project by more than 10%, a faculty member must renegotiate the originally proposed scope of work to fit within the funding constraints of the project rather than seek an institutional F&A waiver.

EXCEPTIONS:

If a sponsor has a written universal policy specifying a particular F&A rate for all similar agreements regardless of which institution or site is the recipient of the funds, Sponsored Projects will take this policy into consideration when reviewing the proposal. The PI must supply a copy of the sponsor's policy or the URL address where the policy can be found at the time of proposal review. The Director of Sponsored Projects has the authority to accept extramural funding at less than the maximum allowable F&A rate if it falls within the exceptions set forth in this policy and also has the authority to refuse a sponsored project when full F&A is not recovered. Institutionally approved waivers that represent an exception to the general policy are as follows:

- University will accept non-profit sponsors' universal published limitations of F&A. (i.e. Muscular Dystrophy Association 10% etc.)
- Exceptions by statute or regulation for federal sponsors (i.e. USDA 23.456% TDC statutory rate)
- State entities – 20%
- Clinical training/residency programs – 10%

- Clinical trial programs – “other public service rate” of 26%

If a waiver is requested that does not fall within one of the exceptions above, the waiver will come first, from the PI's share of distributed F&A, 2nd from the Chair and 3rd from the Dean. Waiver of the institutional and VPR distributed F&A portions will require approval by both the Director of Sponsored Projects and the Vice President for Research.