

Policy:	Facilities and Administrative (F&A) Costs		
Responsible Office:	Office of Sponsored Research	Prepared By:	Erica Kennedy, MBA, CRA Director, Office of Sponsored Research
Approved Date:	05/18/2018	Reviewed By:	James Krukones, PhD Associate Academic Vice President
Last Revised Date:	n/a	Approved By:	Nicholas R. Santilli, PhD Interim Provost and Academic Vice President

Scope

This policy applies to all John Carroll University faculty and staff involved in the development and submission of proposals for external support.

Policy Statement

It is the policy of John Carroll University that the appropriate Facilities and Administrative (F&A) Costs, also known as Indirect Costs (IDC), 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 may be approved by the appropriate Dean or Chair or their appointed delegates.

Reason for Policy

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 and the U. S. Department of Health and Human Services.

Procedure

Full F&A cost recovery should be included in all sponsored program proposals in accordance with the current approved 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.

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.

Indirect Cost Rate Agreement

John Carroll University successfully negotiated an Indirect Cost Rate Agreement with the Department of Health and Human Services on March 30, 2007. The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government. The base used in the IDC proposal was comprised of direct salaries and wages including vacation, holiday, sick pay and other paid absences but excluding all other fringe benefits. John Carroll University was assigned a Predetermined rate of 47.3% for the time period from 06/01/2006 to 05/31/2010, and from 06/01/2010 until amended. A new Indirect cost rate proposal is being prepared by Erica Kennedy, Director, Office of Sponsored Research, and Matthew Verleny, Manager, Endowment and Grant Accounts and will be submitted to Cost Allocation Services by the end of May 2018.

Sanctions

Failure to adhere to the principles and processes in this policy may result in the adjustment of budgets and expenditures or the use of departmental funds to ensure that appropriate F&A costs are collected.

Related Information

[45 CFR 75.414](#)

[2CFR 200.414](#)

[HHS Grants Policy Statement](#)

[HRSA Legislative Mandates in Grants Management for FY 2018](#)

[NIH Grants Policy Statement](#)

[NSF Proposal and Award Policies and Procedures Guide](#)