**Deprecated**: mb_convert_encoding(): Handling HTML entities via mbstring is deprecated; use htmlspecialchars, htmlentities, or mb_encode_numericentity/mb_decode_numericentity instead in **/var/www/vhosts/pw.keene.edu/public_html/ksc/modules/TextFormatter/shortcode/anchors.php** on line **140**

**Warning**: DOMDocument::loadHTML(): Tag figure invalid in Entity, line: 1 in **/var/www/vhosts/pw.keene.edu/public_html/ksc/templates/includes/application/policy/export.php** on line **33**

# Recovering Facilities & Administrative (Indirect) Costs

Keene State College Policies and Procedures

# Recovering Facilities & Administrative (Indirect) Costs

Section Menu

## Overview

*Applies to Externally Sponsored Projects*

As an institution of higher education, Keene State College recognizes the importance of the generation of new knowledge, technical approaches, and applied practices to its academic mission. Research and educational activities funded through externally sponsored agreements are central to fulfillment of this aspect of our mission. Such activities involve both direct and indirect costs.

## Definitions

### Direct Costs

Direct costs are expenditures that can be identified specifically with a particular sponsored project or that can be directly assigned to such activities with a high degree of accuracy.

### Indirect Costs/Facilities & Administrative Costs

Conversely, Facilities and Administrative ("F&A") costs (also known as "indirect" or "overhead" costs) are costs incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project. (See OMB Circular A-21). F&A costs include library use, student services, building operations and maintenance, building and equipment depreciation, departmental secretarial assistance, general office supplies, and administration.

Keene State College has a federally negotiated F&A rate assigned by our cognizant agency, the US Department of Health and Human Services. This rate reflects the rate of reimbursement for facilities and administration costs incurred as a part of conducting research and other sponsored activities.

### F&A Cost Waiver

A waiver of F&A costs on a specific Keene State College ("KSC") sponsored program or project is an agreement that KSC will charge F&A Costs at a lower rate than the applicable rate published by the KSC Office of Sponsored Projects & Research (OSPR) website, a lower rate than official sponsor-imposed limitations, or a lower base against which to apply the applicable rate.

## Expectations for Recovery of F&A

Indirect costs are real costs to the institution, and KSC strives at all times to recover full costs on its sponsored programs and projects, both direct and indirect (F&A). Grant applicants should work with the Office of Sponsored Projects & Research to ensure these costs are appropriately budgeted at the proposal

stage.

However, KSC recognizes that there may be circumstances in which it is not possible to fully recover all costs. If there are published, sponsor-imposed policies or regulations limiting the F&A rate, amount, and/or base allowed for all applicants to a specific program to a rate, amount and/or base less than KSC's, KSC does not consider the foregone F&A costs to be waived. Information substantiating the allowable sponsor rate, amount, and/or base must be attached to the Proposal Routing form when routing the proposal for approval to submit. Such information is acceptable only if issued by a fiscal officer of the sponsor.

# Waivers of F&A

There may be circumstances in which there are no published, sponsor-imposed policies or regulations limiting the F&A rate, amount, and/or base; or circumstances where published policies exist, but KSC may decide its interests are best served by waiving its rights to part or all of the applicable F&A costs on a specific program or project. For example, a sponsor might require that KSC contribute some of its own funds to the project, and KSC may determine that a waiver of F&A costs is the most economical option in lieu of direct cash contributions. Or, a successfully-conducted small seed project at a lower-than-applicable F&A rate may enable a project director to establish a sponsor relationship that results in future, larger grants at the full applicable F&A rate–a relationship that might not have been possible without the successful seed project.

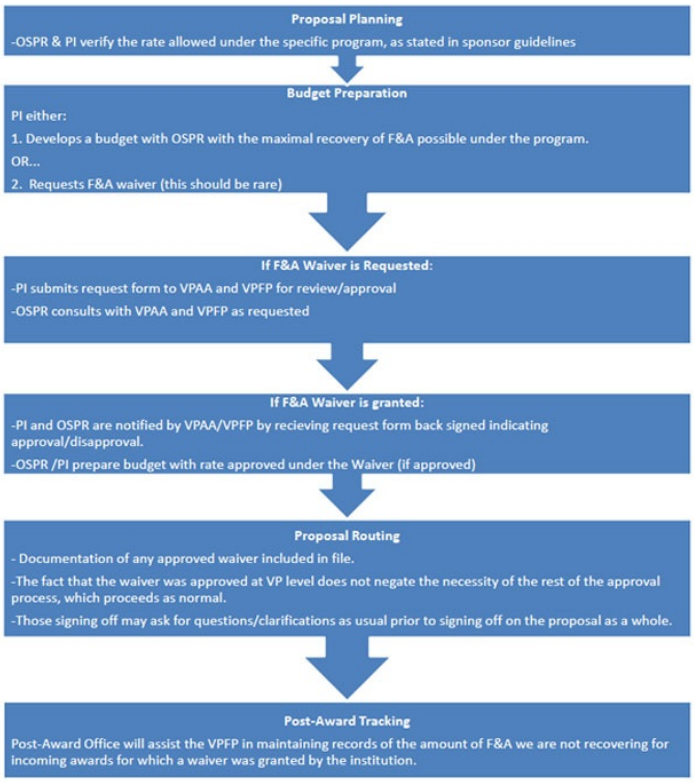
The authority to negotiate and approve waivers of F&A costs on programs, individual projects, or classes of programs or projects jointly rests with the Vice President for Academic Affairs (VPAA) and the Vice President for Finance and Planning (VPFP). The VPAA and VPFP may delegate this authority in writing in part or in full to other KSC officers. Approval of an F&A costs waiver in no way negates the prerogative of the program or project director's dean/institute director/other authorized Routing Form signatory from declining to approve submission to a prospective sponsor of a proposal that fails to meet other institutional criteria.

Approved F&A waiver forms become part of the official awarded proposal files maintained by KSC are available to auditors and other examiners of KSC sponsored programs records. The Vice President for Finance and Planning will maintain annual records of the amount of F&A foregone for those awarded proposals in which the F&A is waived in part or in full.

A financial balance left at the end of a fixed-price agreement will be used first to repay the F&A waiver if a waiver had been granted for the pertinent project.

***Please note:*** *Keene State College personnel are reminded that only designated officials may negotiate and/or accept a proposed waiver of indirect costs on behalf of the institution. Principal Investigators/Project Directors are not authorized to negotiate such terms with a sponsor, and must not represent themselves as such in any verbal or written communications.*

# Proposal Planning Process Graphic




*(Approved by Cabinet 9/25/2012)*