Policy Statement

It is the policy of Roosevelt University to collect the full applicable rate of facilities and administrative (F&A) cost reimbursement on all externally funded projects, including research, public service, training and instruction grants and contracts. Recovered facilities and administrative costs, frequently referred to as indirect costs, are funds collected by the university from grants and contracts to recover costs associated with operation and management that are not directly charged to the sponsor. For all projects funded by federal agencies, or funded with federal dollars (including federal dollars passed through other agencies), state and local agencies, private industry and foundations the applicable rate is based upon the University’s current federally negotiated F&A cost rate agreement. That rate is currently 45% of all salaries and wages. The only exception to the negotiated rate is for those programs where a lower rate is specified/mandated and published in the sponsored program agreement however; the policy of the institution is to maximize the amount of IDC recovered. If an agency leaves the F&A cost rate silent, the current negotiated F&A cost rate will be applied. These recoveries help fund the true costs of conducting externally-funded programs, including physical costs such as space, equipment and utilities, as well as services required such as administrative support and the operation of the Office of Research and Sponsored Programs, which helps prepare and submit all grants and contracts and provides accounting support and management oversight once grant funding has been received. The goal is to use F&A recoveries to support and expand the research and sponsored program operations and capacity at RU. There are several major reasons why the F&A recoveries are returned to RU’s Colleges and supervising units.

1) RU is committed to supporting the expansion of research capacity, infrastructure, and operations;
2) RU is committed to supporting the units that generated the F&A recovery to support research and new initiatives; and
3) Research awards frequently prohibit the charging of general purpose supplies or equipment, including office supplies, postage, local telephone costs, and memberships, along with the cost of administrative and clerical staff, unless a justified unlike circumstance exists.

Policy 4.4

Responsible Executive: Doug Knerr

Originally Issued: December, 18, 2013

Revised: August 29, 2014

Effective date: August 29, 2014
**Reason for Policy**

The University currently has a negotiated indirect cost or facilities and administration (F & A) rate and requires universal guidelines to determine how funds from the F & A rate are to be spent. There are several major reasons why the F&A recoveries are returned to RU’s Colleges and supervising units.

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2) RU is committed to supporting the units that generated the F&A recovery to support research and new initiatives; and

3) Research awards frequently prohibit the charging of general purpose supplies or equipment, including office supplies, postage, local telephone costs, and memberships, along with the cost of administrative and clerical staff, unless a justified unlike circumstance exists.

F&A recoveries distributed to colleges and units can be accumulated over fiscal years to provide support to larger efforts. F&A recovery can be used by colleges and units to:

1) Support pilot studies thereby increasing critical mass and contributing to the RU’s research capacity. In supporting pilot studies funds can be used for study related costs, such as release time for faculty, graduate student support, and study related materials.

2) Provide bridge funding for faculty and graduate students research efforts.

3) Support laboratory facilities and research equipment.

4) Meet cost sharing commitments by the colleges or units.

5) Support new initiatives which represent the potential to expand RU sponsored activities portfolio.

6) Support unanticipated resource needs of existing sponsored activities for which sponsor support is unavailable.

**Entities Affected by this Policy**

This policy applies to all colleges and departmental units within Roosevelt University.

**Web Address**

To be completed by the President’s Chief of Staff.

**Implementation**

F&A Recovery:
All grants and contracts will charge an IDC unless expressly forbidden by the funding agency. Any request for less than the full allowable rate must be approved by the Provost and CFO.

When cost share or matching funds are required by a sponsor, F&A is the first choice for a match in a grant or contract, providing the commitment is not explicitly prohibited by the sponsor. The cost share commitment and project budget must be approved in the proposal submittal process.

Distribution of F&A Recoveries:
In general, F&A recovery is used to support the operating and personnel costs of the Office of Sponsored Programs and university operational costs. Colleges and units generating F&A recoveries will receive a portion of the F&A as described below. These funds will be set aside in an internally designated fund and may accrue across fiscal years to a maximum of $150,000. Requests for greater accumulation require Provost and Vice President of Finance approval. IDC funds may be used for any direct expense such as professional development, equipment, supplemental or grant supported staff, or other departmental expenses. These funds may be used for salaries of soft-money faculty and staff, student labor, or funding graduate assistants, but not for salary or wages for institutionally funded employees without prior approval of the Provost.

The distribution of IDC is as follows:

For grants and contracts receiving 5% or less IDC:
The full amount is returned to the Office of Sponsored Programs to cover operational support costs.

For all other grants and contracts receiving at least 6% IDC:
25% of the total is returned to support College or Department designated support and development efforts.
25% of the total is returned to support RU administrative operations.
50% of the total is returned to support the operation of the Office of Research and Sponsored Programs.

Appropriate uses of Indirect Cost Recovery Funds
- Conducting pre-grant literature review and feasibility studies.
- Preparing competitive proposals for sponsored programs.
- Travel expenses to seek out and meet with potential extramural funding sources for sponsored projects.
- Providing carryover funding for research and creative efforts to provide continuity between externally funded projects.
- Purchasing equipment and supplies directly related to expanding research and creative capability of the institution.
- Paying for sponsored project costs that are unallowable as direct costs.
- Supporting faculty summer salaries for research and proposal writing to assist the investigator in developing additional sponsored projects and extramural funding.
- Graduate assistantships for performing work on sponsored grants.
- Match or cost-sharing contributions.
- Over-expenditures or audit disallowances to a grant or contract account.
• Other reasonable and allocable expenditures related to sponsored project activity.

**Unallowable uses of Indirect Cost Recovery Funds**
• Expenditures on items not reasonably related to research or sponsored project activities.
• Special compensation for pay in excess of the full-time salary base for principal investigators during the academic year.
• Expenditures that do not comply with federal, state, or university fiscal policies and procedures.

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**Online Resources and Forms**

Transmittal form - [http://www.formstack.com/forms/?1499564-ZQbQ6V9ruL](http://www.formstack.com/forms/?1499564-ZQbQ6V9ruL)