SIUC Facilities and Administrative Cost Waiver Policy

Title: Facilities and Administrative Costs Waiver Policy
Effective Date: February 1, 2022
Issuing Authority: Office of Sponsored Projects Administration
Responsible Officer: Director - Office of Sponsored Projects Administration

Background
Facilities and Administrative (F&A) costs are infrastructure and administration costs associated with the performance of research and other sponsored projects that cannot be readily and specifically identified with a particular project. F&A costs are synonymous with “indirect costs” and “overhead” and are incurred for expenses such as utilities; buildings; operation and maintenance; library-related expenditures; university services, such as telephones and IT; department, college, school, service unit administrative costs; and federally mandated research compliance.

The practice of providing F&A cost returns to award recipients originated with the U.S. government. In recognition that indirect costs are real costs of doing business, the process of establishing F&A rates was developed as a means to provide reimbursement to grantees for these supportive services. SIUC’s F&A rate is established with our cognizant federal agency, the Department of Health and Human Services/Department of Cost Allocations. The F&A rate is renegotiated periodically to allow for inflation, changes in facilities and the associated operations costs, and variations in the level of sponsored activity.

Policy
It is the policy of Southern Illinois University, Carbondale (SIUC, “the University”) that when submitting applications or proposals to acquire sponsor awards, Principal Investigators (PIs) apply the University’s approved indirect cost rate to all externally-sponsored research projects. However, requests for waivers or partial waivers of indirect costs occasionally are granted by the Vice Chancellor for Research or designee. With the exception of nonprofit charitable foundations that limit F&A costs, indirect cost waivers are generally not granted by the University unless there is an exceptional reason to allow the waiver.

Purpose
The purpose of this policy is to provide the requirements for a waiver of the University’s full F&A cost rate for specific proposals and the related criteria necessary for potential waivers.
Scope

This policy is applicable to all colleges, schools, departments, units, and personnel of the University involved in administering sponsored awards.

Procedure for Implementation

Requests for indirect cost waivers are initiated by the PI and must be reviewed by the Chair and Dean and forwarded to OSPA and finally the Vice Chancellor for Research or designee for review. As a means of determining the costs and benefits of waiver requests, the following factors will be taken into consideration:

- The total costs to the University.
- The likelihood that an award would be seriously jeopardized without a waiver and the potential effect of the loss on the faculty member's overall research program.
- The benefit of the waiver to new or junior faculty members or in support of research efforts in new directions which otherwise might not be sufficiently developed to attract typical peer-reviewed awards.
- The effect of a waiver to increase direct costs available for student support.

Indirect cost waivers will not be granted in cases where the research is sponsored by profit-making or foreign organizations, where the research involves any reservation of rights on the part of the sponsor with respect to intellectual property or where granting the waiver might appear to establish a precedent for future projects.