1. PURPOSE

To provide guidelines and procedures that will apply in collecting facilities and administrative (F&A) cost recovery from sponsored projects.

2. DEFINITION

F&A costs are those costs associated with the infrastructure that supports the sponsored programs enterprise (buildings and their maintenance, libraries, sponsored programs administration, training programs, etc.) and which cannot easily be determined for each project. ECU requires that F&A costs be recovered to the maximum extent possible and be included in all grant and contract proposal budgets, including contracts and grants to/from corporate, governmental and not-for-profit entities.

3. BACKGROUND

The university’s F&A rate structure is a federally negotiated agreement with the U.S. Department of Health and Human Services (DHHS). The current approved rate agreement can be found at http://www.ecu.edu/cs-acad/osp/upload/FAC_Rate_Agreement.pdf. University policy requires that the appropriate F&A amount is included in all budgets submitted, to external sponsors for research, instruction and training, or other sponsored activities/agreements. The negotiated rates will normally be used for all proposals to all sponsors, except under the specific conditions identified below.
Some government agencies and non-profit organizations do not pay the university’s F&A cost rate and it should be documented clearly in their guidelines/policies. The university may accept a lower F&A cost rate under the following conditions:

a. The sponsor is a federal, state or local government agency that, by agency policy or legislation, will not pay the university’s F&A rate, and this policy is published in agency guidelines and is applied uniformly to all award recipients.

b. The sponsor is a private, not-for-profit organization that has an official written policy of paying an F&A cost rate lower than the university’s rate, and the rate is applied uniformly to all award recipients.

4. PROCEDURE

Budgets prepared with an application for a sponsored program will include the appropriate F&A rate from ECU’s federally negotiated rate agreement unless one of the exceptions identified above applies to that application. If such an exception exists, the sponsor’s written F&A policy will be attached in RAMSeS prior to the routing and approval process and the file will be titled “sponsor F&A rate document”. The use of standardized conventions in titling electronic documents aids in identifying said documents for users, both present and future.

In the event that the principal investigator (PI) wishes ECU to waive all or part of the F&A that is collectable from a sponsor, the PI must submit a waiver request well before the sponsor’s deadline so that all parties involved have adequate time to review the request.

The request must include justification for the waiver, a budget(s) that includes both the included F&A and the waived F&A, (i.e., the funds ECU would forgo collecting if the request is approved). This electronic document will be named “F&A waiver request” and will be attached in RAMSeS prior to the routing and approval process.

All RAMSeS approvers on a proposal are assumed to have fully reviewed the proposal narrative, budget with justification and other supporting attachments including waiver requests. Approval of the proposal in RAMSeS signifies endorsement of all the aforementioned documents.

If F&A waiver requests are initiated after a proposal has started routing, the proposal should be rejected and routing should begin again so that all approvers may review the waiver request and supporting materials. All RAMSeS approvers must endorse the waiver request in order for it to make its way to the vice chancellor for Research & Graduate Studies (RGS). The vice chancellor for RGS will make the final decision to accept, reject or modify the waiver request.

Approved

[Signature]

02/14/12

Standard Operating Procedure: F&A Waiver