

SUNY New Paltz

Office of Sponsored Programs

Policy on Indirect Cost Waivers for Externally Funded Projects

Effective: April 27, 2016

Overview

Indirect costs, also referred to as Facilities and Administrative (F&A) Costs or Overhead, are actual costs incurred by the institution in association with all externally funded projects. It is the policy of SUNY New Paltz to recover full indirect costs on all externally funded projects, except as described herein.

Indirect cost recovery through sponsored awards covers expenses for space/facilities, including the library, information technology services, software, and tools, including e-mail, and central administration services available to and used by sponsored projects. Any project which is funded at less than the federally negotiated indirect cost rate is being subsidized by other funded projects, and by the institution through state funds, institutional funds, and student tuition. However, there are some situations where it may be valid to reduce or waive indirect costs in order to meet other strategic goals.

Purpose

This policy defines the conditions under which Indirect Costs may be reduced or waived.

Requirements

Indirect costs may be reduced or completely waived if one or both of the following conditions apply. In these cases the Institution will recover the maximum amount of indirect costs allowed by the sponsor:

- Reigning law or regulation limits or forbids indirect costs for a specific governmental organization or program.
- The sponsoring organization has a public, formal written policy forbidding or restricting indirect costs which is consistently applied.

If the sponsored program is directly associated with strategic campus goals, such as encouraging community engagement and service, strengthening grant and research activities, and/or enhancing cultural and artistic activities available to students, staff, and/or faculty members, then indirect costs may be reduced or waived under the following circumstances:

- The sponsoring organization is a non-federal entity using non-federal funds¹ and does not have a public, formal written policy forbidding or restricting indirect costs which is consistently applied, and there is clear evidence that the reduction of indirect costs will increase the competitiveness of the proposal. In these cases, a standard rate of 20% Total Direct Costs (TDC) will be applied.

¹ This waiver does not apply in cases where the non-federal entity is passing through federal funds for which the institution is eligible for our full negotiated federal rate.

- The total project budget, including direct and indirect costs, requested and/or awarded from the sponsor is \$5,000 or less. This applies whether the sponsoring organization is a federal, federal flow through, or non-federal entity. In these cases, the indirect costs will be completely waived. Larger projects may not be subdivided to meet this criteria.

Any requests for reduced or waived indirect costs not covered by the above exceptions must be approved by the President with the support of the Provost and Vice President for Academic Affairs and the Vice President for Administration and Finance, and should be documented using the formal Indirect Cost Waiver Request form available from the Office of Sponsored Programs.

OSP shall provide a written summary report of the number and dollar value of waivers and reductions for the President, the Provost and Vice President for Academic Affairs, and the Vice President for Administration and Finance on an annual basis.

Responsibility

All units of the institution are covered under this policy.

The Office of Sponsored Programs is responsible for uniform implementation of the policy.