

UNIVERSITY OF NEW HAMPSHIRE

FACILITIES & ADMINISTRATIVE COSTS WAIVERS ON EXTERNALLY SPONSORED PROGRAMS

Administrative Responsibility: UNH Vice President for Research and Public Service

Effective Date: August 1, 2004

Issue Date: July 1, 2002 by UNH Office of Sponsored Research [University of New Hampshire Guide to Sponsored Programs Facilities and Administrative (Indirect) Costs]; revised and reissued effective August 1, 2004 by UNH Vice President for Research and Public Service

Definitions: Facilities & 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. A waiver of F&A costs on a specific University of New Hampshire (UNH) sponsored program or project is an agreement that UNH will charge F&A costs at a lower rate than the applicable rate published by the UNH Office of Sponsored Research (OSR) in its home page “Rate Schedule,” a lower rate than official sponsor-imposed limitations, or a lower base against which to apply the applicable rate.

Policy: UNH strives at all times to recover full costs on its sponsored programs and projects, both direct and indirect (F&A). It is the program or project director’s responsibility to work with the UNH OSR to structure each proposal budget to attempt to recover full costs. However, UNH 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 UNH’s, UNH 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 Sponsored Programs Approval Routing form (Yellow Sheet) when routing the proposal to the dean, institute director, or other Responsibility Center (RC) unit head for approval to submit the proposal. Such information is acceptable only if issued by a fiscal officer of the sponsor.

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 UNH 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 UNH contribute some of its own funds to the project and UNH 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 rests with the Vice President for Research and Public Service (VPR&PS). The VPR&PS may delegate this authority in writing in part or in full to other UNH 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 Yellow Sheet 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 the OSR for UNH, and are available to auditors and other examiners of UNH sponsored programs records. The VPR&PS 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.