



POLICY ON WAIVER OF REDUCTION IN FACILITIES AND ADMINISTRATIVE RATE IN ALL RESEARCH, INSTRUCTION, AND PUBLIC SERVICE PROPOSALS

Policy Number: 2.0.4.4

Version Number: 002

Classification: Proposal Development and Submission

Effective Date: July 1, 2018

Responsible University Office: Vice President for Research

1.0 Purpose

The purpose of this administrative policy is to establish the guidelines for an allowable waiver or reduction of Facilities and Administrative (F&A) costs. The University has assigned the responsibility to grow sponsored program activities and to increase the effective recovery of F&A costs to the Vice President for Research (VPR). Furthermore, in order to grow research and scholarly activities, the University must maximize the recovery of F&A costs. Request for voluntary waivers of or reductions of F&A costs will be carefully reviewed. The VPR is the delegated approving officer for all requests for waivers of or reduction in F&A rates in all research, instruction, and public service proposals. This delegation *does not* include a waiver of or a reduction in F&A in federally funded instruction and public service proposal when a proposal is in excess of \$200,000 or more per year.

2.0 Applicability

This policy applies to all employees submitting a proposal requesting sponsored project funding from any external entity.

3.0 Government Rules and Regulations

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – 2 CFR 200.414.

4.0 Definitions

Facilities and Administrative Costs (F&A): A federally negotiated rate assigned by a cognizant federal agency to cover all costs associated with the conduct of sponsored activity that is unallocable to a specific project. “Facilities” is defined as depreciation on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses. “Administration” is defined

as general administration and general expenses. F&A is sometimes referred to as “indirect costs” and “overhead.”

5.0 Policy

No voluntary waivers or reductions of F&A costs will be allowed without approval of the Vice President for Research and shall only be approved in exceptional circumstances. Requests for waiver/reduction of F&A on PSA proposals require the approval of the Vice President of Public Service Activities in addition to and prior to the approval of the Vice President for Research.

No waiver/reduction is allowed for federally funded instructional or public service proposals with requested funding in excess of \$200,000 per year.

If a Grantor Agency has an established, written policy that calls for an F&A rate lower than the University’s negotiated rate, the lower rate will be applied with no penalty. Likewise, if a Grantor Agency has an established policy that disallows F&A costs, no F&A will be applied, and there will be no penalty. The Grantor Agency’s policy must be applied equally to all applicants submitting proposals to the agency from any University in the United States. For the purposes of this administrative policy, “Grantor Agency” includes all sponsors other than private industry sponsors. Any voluntary waivers or reductions of F&A costs for proposals submitted to private industry sponsors, either directly or through a pass-through entity, will be allowed only with approval of the Vice President for Research and shall only be approved in exceptional circumstances. This approval must be secured before beginning the preparation of the proposal to the sponsor.

6.0 Responsibilities

Principal Investigator: Seek a waiver of F&A following the established procedure and include a justification for the waiver at time of proposal submission.

College Pre-Award Staff: Ensure that proposals prepared for submission include the allowable F&A rate consistent with this policy. Advise principal investigators on the process for seeking a waiver at time of proposal preparation and submit the request through the InfoEd PD system in advance of proposal submission.

Department Chairs & Associate Dean for Research: Review all faculty requests to VPR for reduction of F&A prior to the request is submitted for VPR approval.

7.0 Sanctions for Non-Compliance

Clemson University reserves the right to withdraw a submitted application, reject an award or recover F&A costs from a Principal Investigator’s college, department when appropriate F&A waiver approvals have not been obtained.

8.0 Approval Signatures

This policy has been approved by:



Tanju Karanfil
Vice President for Research

REVISION HISTORY		
EFFECTIVE DATE	REVISION NUMBER	MODIFICATION
February 12, 2013		
November 14, 2016	01	Incorporated existing policy into new template; Addition of Sections 2.0, 3.0, 4.0, 6.0, 7.0; revision of Section 5.0 to clarify applicability of policy to industry sponsors and that established policies must be in written form.
July 1, 2018	02	Policy Reformat