

FAYETTEVILLE STATE UNIVERSITY

FACILITIES AND ADMINISTRATIVE (F&A) COSTS

Authority:	Issued by the Chancellor. Changes or exceptions to administrative policies issued by the Chancellor may only be made by the Chancellor.		
Category:	Research		
Applies to:	<input checked="" type="radio"/> Faculty <input type="radio"/> Staff <input type="radio"/> Students		
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Related Policies:	<i>University Research Facilities and Administration Receipts Reporting</i> [UNC Policy #500.5]		
Contact for Info:	Provost and Vice Chancellor for Academic Affairs (910) 672-1460 Vice Chancellor for Business and Finance (910) 672-1151		

I. PURPOSE

Fayetteville State University (University) receives reimbursement of Facilities and Administrative (F&A) costs, which are sometimes referred to as indirect costs or overhead receipts and are related to the awarding of grants and contracts to University. The University will distribute F&A costs recovered from external grants in accordance with this policy. F&A costs shall be calculated monthly based on the percentages outlined in this policy.

This policy is dictated by and in compliance with the University of North Carolina's Board of Governors policy on Facilities and Administrative costs.

II. RECOVERY OF INDIRECT (F&A) COSTS

The cost for operating a research project shall be charged directly to the grant as direct costs. These direct cost charges may include a percentage of the PI's salary as well as support for postdoctoral associates, consultants, graduate and/or undergraduate assistants, equipment needed for the research, travel, payment fees for human subjects, and other charges directly relating to conducting the project. Under no conditions should a PI receive any monetary compensation for salary or contractual services from indirect cost.

Unless restricted by the sponsor, all grant and contract proposal budgets submitted for external funding shall incorporate the full prevailing negotiated F&A rate or the approved university rate for a class of sponsors (e.g. corporate sponsors, state government, school districts, etc.).

When the sponsor limits or prohibits the full recovery of F&A costs, the PI must provide a statement from the sponsor concerning the restriction when submitting the proposal for internal review and approval. This statement may be a copy of the applicable policy from the sponsor's website, request for proposal, grant guidelines, or other documents, or a written statement received directly from the sponsor when no other statement of its policy is available. If the sponsor permits the recovery of F&A costs, but does not specify a rate, the PI shall contact the Office of Sponsored Research and Programs to determine the applicable rate.

When the PI wishes to waive part or all of the full amount of F&A costs that could be recovered, the PI must provide a written statement justifying the waiver when submitting the proposal for internal review and approval, and this statement must be signed by the Vice Chancellor for Business and Finance (or Provost if the Vice Chancellor is not available). Any approved waived amounts should be included in the budget in the in-kind cost sharing column.

III. DISTRIBUTION OF F&A COSTS

The following chart displays the percentage allocation for various University units.

Unit	Allocation
VC for Business and Finance	25%
Principal Investigators	20%
Department Chair, Unit Head, Center/Institute Director	15%
Office of Sponsored Research and Programs	15%
Provost and Vice Chancellor for Academic Affairs	10%
Deans of Colleges	5%
Graduate Council	5%
Reserves	5%
Total Distribution	100%

A. Vice Chancellor for Business and Finance

Administrative support for the Vice Chancellor for Business and Finance (25%) may include payment for leased space, specified salaries, and administrative costs for maintaining facilities, providing security, and other services

B. Principal Investigators (PI)

Eligible PIs will receive twenty percent (20%) of overhead receipts. The funds may be used to support travel, equipment, supplies, student research training, administrative costs not covered by the award, temporary staff and other approved costs.

If faculty members from more than one department are involved in a project, the lead PI and the department of the lead PI will have accounts established. Faculty members are encouraged to determine how indirect costs will be used to support the project prior to submission of the proposal.

In the event that a new PI is assigned to a sponsored program during a fiscal year, the receipts from that year will be assigned to the new PI. Each individual is responsible for managing his or her account. If a PI overspends grant funds, the difference needed to balance the account will be taken from the PI's account.

C. Department Chair, Unit Head, Center/Institute Director

The administrative unit of the PI (e.g., the PI's department chair or center director) will receive fifteen (15%) of overhead receipts. These funds may be used to support travel, equipment, supplies, student assistance to conduct research, administrative costs not covered by the award, meetings, professional development for faculty, non-sponsored research and other approved costs.

D. Office of Sponsored Research and Programs

The Office of Sponsored Research and Programs will receive fifteen percent (15%) for initiatives relating to research compliance, recognition, professional development, grant writing workshops, and other approved activities. These initiatives are covered in this category and can be used for costs associated with administrative oversight grants and other Office of Sponsored Research and Programs initiatives.

E. Provost and Vice Chancellor for Academic Affairs

The Provost and Vice Chancellor for Academic Affairs will receive ten percent (10%) of the overhead receipts in order to support infrastructure needs relating to University wide-sponsored research activities. Funds allocated to the Provost and Vice Chancellor for Academic Affairs may also be used to support administrative costs for scholarly activities, in-kind costs for grant recipients, travel, equipment, and other allowable costs.

F. Deans of Colleges

The Dean of the PI's unit will receive five (5%) of overhead receipts. These funds may be used to support travel, equipment, supplies, student assistance to conduct research, administrative costs not covered by the award, meetings,

professional development for faculty, non-sponsored research and other approved costs.

G. Graduate Council

The Graduate Council will receive five percent (5%) of the overhead receipts in order to support graduate research experiences, binding of theses, publication expenses, travel to national meetings for student presentations, poster presentation expenses, graduate student research awards, guest research seminar series, travel to conduct research with off-campus alliances, feasibility studies, and related items.

H. Reserves

Reserves of five percent (5%) will be kept on hand and monitored by the Vice Chancellor for Business and Finance to cover overspending of budgets or other unfunded expenditures that might be associated with grants and contract activities.

IV. DISTRIBUTION OF RECEIPTS

The Office of Sponsored Research and Programs will be responsible for negotiating the total amount of funds associated with sponsored research that can be recovered from F&A costs from the previous fiscal year. The Office of Contracts and Grants will determine the amount of overhead receipts to be distributed per the percentages in the included table and the eligibility of the recipients at the end of each fiscal year. If not already established, recipients must complete a Fund Authority to establish their Indirect Cost Overhead Fund. Annually, a *Resource Allocation Budget Form* must be completed to budget funds in categories allowable for expenditures.

Overhead funds that remain at the end of a fiscal year in individual accounts will be carried forward. These funds are to be managed by the account holder and the supervisor of the account holder.