



# UNIVERSITY OF RICHMOND

## Policy Manual

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<b>Policy #:</b>	FIN-1201	<b>Policy Title:</b>	Indirect Costs Recovery Policy
<b>Effective:</b>	11/01/2016	<b>Responsible Office:</b>	Office of Foundation, Corporate, and Government Relations
<b>Date Approved:</b>		<b>Approval:</b>	Executive Vice President & Chief Operating Officer
<b>Replaces Policy Dated:</b>	07/01/2011	<b>Responsible University Official:</b>	Assistant Vice President for Foundation, Corporate and Government Relations

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**PURPOSE:**

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**SCOPE:**

This policy applies to the University of Richmond and all of its Affiliates. As used in this policy, the term “Affiliates” means organizations or entities in which the University owns a controlling interest or has the right to elect the majority of the entity’s governing board.

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**POLICY STATEMENT:***FIN-1201.1 – Definitions*

**Indirect or Facilities and Administrative (F&A) costs:** Costs that are incurred for common or joint objectives and, therefore, cannot be readily and specifically identified with a particular sponsored project, instructional activity, or other institutional activity; synonymous with “overhead” costs. Utilities, physical space, and accounting services are examples of F&A costs.

**Gift:** Contribution from a private, non-governmental source, made without expectation of any product or service of a tangible or intangible nature in return.

**Grant:** External award supporting research, public service or scholarly activity at the University that has a defined scope of work and set of objectives which provide a basis for accountability and sponsor expectations.

# FIN-1201 – Indirect Costs Recovery Policy

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## *FIN-1201.2 – Policy*

Facilities and administrative (F&A), or indirect, costs are awarded to reimburse the University for expenses incurred in support of sponsored research and training activities. It is the University's policy to recover the full amount of indirect costs allowable by a granting agency, whether public or private.

The University periodically negotiates a federal F&A reimbursement rate with the U.S. Department of Health and Human Services. The University of Richmond's current F&A Cost Rate, applied to salaries, wages, and fringe benefits, is 53 percent on campus and 23 percent off campus, which is used if more than 50 percent of a project is performed off campus. Faculty who are preparing proposals should contact the Office of Foundation, Corporate and Government Relations to verify this rate, which is subject to change.

Exceptions:

Philanthropic gifts are exempt from this policy. Grants made by funding agencies, both public and private, with policies explicitly stating that they do not pay F&A costs will also be exempt from this policy.

Faculty seeking an exception to the University's standard indirect cost recovery policy must receive approval from both the EVP and Provost and the EVP and Chief Operating Officer. During the proposal preparation process, faculty intending to seek an exception should alert the Office of Foundation, Corporate and Government Relations, so that their request and justification may be routed accordingly.

Note: Private funding agencies may allow direct charges for F&A costs otherwise not allowed by federal agencies. In this case, faculty members are encouraged to include F&A under the direct cost section of the proposed budget.

## **RELATED POLICIES:**

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FIN-1202: Research Incentive Accounts Policy

## **POLICY BACKGROUND:**

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This policy came into effect in July 2011 when the Research Incentive Account program officially began.

Updated November 2016

## **POLICY CONTACTS:**

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Assistant Vice President for Foundation, Corporate, and Government Relations