

THE UNIVERSITY OF ALABAMA IN HUNTSVILLE

INDIRECT COST WAIVER

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| <u>Number</u> | 07.02.07 |
| <u>Division</u> | Vice President for Research and Economic Development - Office of Sponsored Programs |
| <u>Date</u> | March 26, 2021; Reviewed and Revised February 26, 2024 |
| <u>Purpose</u> | To establish policy regarding the charging of Facilities and Administrative (F&A) Costs to Sponsored Projects at The University of Alabama in Huntsville ("UAH" or "University") |
| <u>Policy</u> | The University's policy on full cost recovery imposes a duty on all University administrators and Principal Investigators to perform sponsored projects on a full cost recovery basis. Administrators and Principal Investigators are obligated to ask for and recover indirect costs from all sponsors. Full cost recovery is necessary to support the University's physical and administrative capacity to perform extramural projects. Without full indirect cost recovery, the University is subsidizing the cost of the project for the sponsor. |

It is the policy of the University to charge all sponsored projects F&A costs at the appropriate federally approved rate. The only exceptions to this policy are as follows:

- A. When a statutory limitation is imposed by the U.S. Congress for certain U.S. Government-funded programs, or
- B. When a regulatory restriction is imposed by a U.S. Government agency and is published in the solicitation for proposals, program guidelines, or RFP, or
- C. A U.S. domestic, non-profit (501.c.3) charitable organization imposes a limit that is published in its program solicitation and uniformly applied to all grantees.

Definition:

The total costs of a sponsored project include (a) those directly attributable to its performance, e.g., salaries of project personnel, supplies, materials, equipment and travel, and (b) F&A costs, e.g., depreciation of buildings and equipment, utilities, administration and libraries. These latter costs are recovered through the application of an F&A cost rate, calculated in accordance with the cost principles set forth in the Office of Management and Budget Uniform Guidance Subpart E (Cost Principles Direct and Indirect (F&A) Costs).

The University negotiates with the Federal Government (for UAH: Department of Health and Human Services (DHHS)) F&A cost rates for the following categories:

- A. Research (on/off campus)
- B. Instruction
- C. Other Sponsored Projects
- D. Interpersonal Agreement (IPA)

UAH's current F&A cost rates are available on Contracts and Grants Accounting website.

Under exceptional circumstances, requests for waivers of F&A cost recovery or acceptance of a reduced rate on sponsored projects should be made during the proposal budget preparation. Requests must include the proposed F&A rate and dollar value of the waiver and justification for the request. The Vice President for Research and Economic Development (OVPRED) or designee is authorized to waive all or a portion of the F&A cost recovery.

Researchers are neither authorized to negotiate reduced indirect cost rates with sponsors, nor to submit proposals that do not include the applicable full indirect cost rate as part of the budget (t)-17.6(r)-1 proposals he b[ap]osMc6 re56 49. -2 ()1 (h)27 a he b[a]Mc6

