

ADMINISTRATIVE POLICY

Recovery and Distribution of Facility & Administrative Costs

Category: Research

Date Established: draft

Responsible Office: Sponsored Programs Administration

Date Last Revised:

Date Posted to Library:

POLICY SUMMARY:

This policy outlines the administrative practice regarding the recovery and distribution of Facilities and Administration (F&A) costs recovered in connection with external grants awarded to the Research Foundation for SUNY Buffalo State on behalf of faculty serving as principal investigators. These guidelines outline a transparent allocation process that fosters rational, accountable, and well-informed institutional investments into projects and infrastructure that significantly enhance research and scholarship pursued at the College. Funds recovered from F&A are used for the ongoing support of the research enterprise.

POLICY

Policy Statement:

Indirect (Facilities and Administrative) Cost Recovery

SUNY Buffalo State will recover the total direct and indirect (facilities and administrative (F&A)) costs on all sponsored awards unless specifically prohibited or limited by the funding agency. Because F&A costs cannot be readily assigned to a particular sponsored project or activity, they must be recovered from funding agencies through the application of the federally approved F&A cost rates. All proposals for external funding must include a budget request for F&A costs using the appropriate federal, sponsor, or campus F&A cost rate.

When a funding agency has a published rate that differs from the federal or campus F&A cost rate, the funding agency's rate will be used. In these cases, the funding agency may allow some costs normally covered under the F&A cost rate to be charged as direct costs; these costs should be included in the direct cost budget request.

Principal Investigators (PI) may request a waiver or reduction of the F&A rate when the potential benefits are compelling and well-justified. Waivers are only considered under exceptional circumstances and must be approved prior to submission of the budget proposal to the sponsor.

Indirect (Facilities and Administrative) Distribution

Annually, the Provost will distribute a portion of the indirect costs earned on sponsored research awards to the Deans to invest in and support research programs and initiatives. The distribution to each Dean will be a percentage based allocation of the F&A generated by each school after the Research Foundation has applied their assessment. In order for F&A funds to be eligible for distribution, there cannot be an F&A Waiver in place or any cost share or match required on the award.

Please note, that F&A earned on non-sponsored awards is not returned to the Provost, and is not available for distribution to Deans.

The return of F&A generally occurs in the summer of each year and is based upon the indirect costs collected from research grants and contracts during the preceding fiscal year (July 1-June 30).

The balance of F&A recovery from sponsored programs, after all of the research administrative costs (i.e. RF assessment, Sponsored Programs expenses) have been accounted for, will be invested back into the College Financial Plan with 40% directed to the Provost for investment into the support of research and academic initiatives including adjunct faculty support, and 60% allocated through the college annual financial plan to support other strategic initiatives.

Background:

There are no federal or state restrictions on how recovered indirect costs can be used by the receiving university. These funds need not be allocated in the same categories and proportions used in determining the institutional indirect cost recovery rate. Accordingly, SUNY Buffalo State has the discretion to reinvest such funds to best benefit the research enterprise.

These guidelines redirect the allocation of indirect costs captured in connection with externally-funded grants in ways that 1) enhance institutional support for research and scholarship; 2) increase faculty competitiveness in statewide and national grant competitions; 3) magnify the impact of current internal and external investments in faculty-driven research and scholarship; and 4) provide direct and significant incentive for faculty, academic departments and collegiate units to invest in faculty research and scholarship.

Applicability:

Effective on all budget proposals submitted on or after July 1, 2021.

Definitions:

Direct Cost – Costs that can be specifically identified with the project including salaries and fringe benefits of the campus faculty and staff directly involved in working on the project, consultants, materials and supplies, purchased services, travel expenses, equipment rental and acquisitions.

Facilities and Administrative Costs (F&A) – also known as indirect costs, are costs associated with sponsored projects that are incurred by the University that cannot be readily identified nor specifically attributed to a particular project, but which support research endeavors i.e.: general administration and general expense, operations and maintenance, building and equipment depreciation, library expenses and interest.

Fixed Price Award – An award requiring specific requirements or deliverables in exchange for a pre-negotiated dollar amount. The dollar amount is negotiated before the agreement is finalized and does not vary even if more or less costs are incurred.

Responsibility

Deans: Review all grant proposals to ensure costs included in the budget are necessary and appropriate, paying careful attention to requests for equipment, salary recovery, requests for course release, requests for space, and F&A recovery. When deemed appropriate, recommend approval to the Provost for course release funding and F&A Waiver requests.

Provost: Review grant proposals that include requests for F&A Waivers and/or course release to determine the overall cost to the campus and the campus benefit. If appropriate, recommend approval of the F&A Waiver to the VP for Finance & Management/Operations Manager.

RELATED INFORMATION

Documents and Forms:

Related Links:

[Facilities and Administrative Rate Agreement](#)

[Residual Balance Policy](#)

Other Information: *Title of related external document (government, SUNY, Research Foundation) – hyperlinked when possible*

CONTACT INFORMATION

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REVISION HISTORY

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APPROVAL