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## 2116 RECOVERY OF FACILITIES AND ADMINISTRATIVE (F&A) COSTS

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Subject: SPONSORED PROJECTS  
Effective: January 1989  
Last Revision: December 2014  
Last Reviewed: May 2017  
Resp. Office: Research Services  
Approval: Research Services

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### PURPOSE:

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To establish policy regarding the charging of Facilities and Administrative (F&A) Costs to Sponsored Projects

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### DEFINITION:

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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 200 CFR Subpart E (Cost Principles).

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### POLICY:

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1. 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. Awards from not for profit sponsors which have a stated policy of awarding funds with an F&A cost at other than the negotiated rate, e.g. foundations and charitable organizations; and
  - b. Clinical trials of drugs and devices;
2. Under exceptional circumstances, requests for waivers of F&A cost recovery or acceptance of a reduced rate on sponsored projects can be made at the time the proposal is submitted. Requests must include the proposed F&A rate and dollar value of the waiver and justification for the request. The cognizant dean/or resource center director is authorized to waive all or a portion of the F&A cost recovery
3. The University negotiates with the Federal Government F&A cost rates for the following categories:
  - a. Research (on/off campus)
  - b. Instruction
  - c. Other Sponsored Projects
  - d. DOD Contracts

Current F&A cost rates are available at the following

URL: <http://www.upenn.edu/researchservices/penndata.html>

## **ROLES AND RESPONSIBILITIES:**

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### **PRINCIPAL INVESTIGATOR**

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- **Request appropriate F&A rate in all sponsored program budgets**

### **BUSINESS ADMINISTRATOR**

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- **Request appropriate F&A rate in all sponsored program budgets**

### **COGNIZANT DEAN OR RESOURCE CENTER DIRECTOR**

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- **Ensure proper application of the appropriate F&A rate**
- **Review and approve waiver of F&A as appropriate**
- **Consult with Office of Research Services on interpretation and application of this policy when necessary**

### **OFFICE OF RESEARCH SERVICES**

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- **Provide guidance to Business Administrators and PIs, and Cognizant Deans or Resource Center Directors on the interpretation of this policy**

The source of this document is Research Services.