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

Subject: SPONSORED PROJECTS
Effective: January 1989
Last Revision: December 2014
Last Reviewed: April 2016
Resp. Office: Research Services
Approval: Research Services

PURPOSE:

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

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 200 CFR Subpart E(Cost Principles).

POLICY:

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:

PRINCIPAL INVESTIGATOR

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

BUSINESS ADMINISTRATOR

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

COGNIZANT DEAN OR RESOURCE CENTER DIRECTOR

- 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

- 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.