




Office of the Vice President for Research Guideline

Title	Facilities & Administrative (F&A) Rate Requests for Sponsored Agreements
Guideline No.	2017-0001
Effective Date	December 21, 2016
Responsible Office	Research Administration Amanda Reitmayer 979.458.8538 areitmayer@tamu.edu
Responsible University Officer	Carol J. Cantrell Senior Associate Vice President for Research
VPR Signature and Date	 12/21/16

Purpose: This guideline provides clarification on when and how to request an exception to the on-campus full Facilities and Administrative, also referred to as Indirect Cost (IDC) Rate for sponsored agreements, including reductions and other negotiated rates.

General:

Facilities and Administrative (F&A) costs are costs that are incurred for common or joint objectives that cannot be identified readily with a particular sponsored project, an instructional activity, or any other institutional activity. The negotiated F&A rate for Texas A&M University is applicable to all sponsored agreements with federal, state, local, private for-profit and non-profit sponsors. In some instances, Federal and State sponsors may specifically state in the funding announcement or guidelines that F&A for an award will be limited to a specific amount or not allowed. An approved rate request form is required unless it is published in the federal or states sponsor’s funding announcement or guidelines. A letter, email, or other document from a sponsoring entity official stating they do not allow for F&A cost, is not an acceptable form of documentation.

Federal and State guidelines that require a treatment of a particular cost objective that deviates from our negotiated rate agreement or Department of Health and Human Services (DHHS) Disclosure Statement 2 (DS2) will require approval of the Vice President for Research (VPR) or designee.

An approved waiver, exception, or reduction from published rates is required for the following:

Intergovernmental Personnel and Other Personnel Agreements (IPAs): An agreement between Texas A&M University and the federal government or other entity where Texas A&M University personnel work on an assignment at a federal agency or other off-site location. IPAs that are not using the approved IPA rate will require approval from the VPR.

Off-Campus: For all activities performed in facilities not owned by the institution and to which rent is directly allocated to the project(s) or being paid by another party, the Off-Campus rate will apply. Off-Campus locations include space that Texas A&M University does not own AND meets one or more of the following additional criteria: a) the space is remote from any of the Texas A&M University campuses; OR b) no Texas A&M University entity bears a lease cost for occupying the space. Factors indicating that a space is remote include significant physical distance from any of the Texas A&M campuses, and use of separate (non-Texas A&M) services such as mail, telephone, network and other support services. An Off-Campus rate should be charged if a direct rent charge is applicable, and should be included in the proposal budget and

charged to benefit the sponsored projects. A request to use the Off-Campus rate will require approval from the VPR. The request should include percentages of where the work is performed and/or where data is collected.

Federal and other projects may require the use of two F&A Rates if 100% of the work performed is not on-campus. Actual costs will be apportioned between on-campus and Off-Campus components. Each portion will bear the appropriate rate, contingent upon VPR approval.

Clinical Trials: Clinical Trials research will be assigned the same F&A rate as Other Sponsored Activities but the project will be classified as research. An F&A Rate Request Form must be submitted and approved by the VPR.

Instruction: Instruction (2 CFR Part 220 Appendix III, section 1.a) includes the teaching and training activities of an institution whether offered on a credit or noncredit basis, and whether offered through regular academic departments or separate divisions, such as a summer school division or an extension division. Sponsored instruction and training (2 CFR Part 220 Appendix III, section 1.1) includes specific instructional or training activities established by grant, contract, or cooperative agreement. Instruction does not include the training of individuals in research techniques (commonly referred to as research training).

Other Sponsored Activities: Other Sponsored Activities (2 CFR Part 220 Appendix III, section 1.c) include programs and projects financed by federal and non-federal agencies and organizations that involve the performance of work other than instruction and organized research. Examples are health service projects and community service programs when these activities are undertaken with outside support. A request to use the other sponsored activities rate will require approval from the VPR.

It is the intent of the state legislature that all state agencies and institutions recover all F&A costs, from federal, state, private for-profit and non-profit sponsors, based on the rates negotiated with the federal cognizant agency. Any exception to the use of the fully negotiated rate requires a documented statement of explanation/justification. The statement must outline the benefits to the University and the State of Texas. Waivers or reductions of F&A costs require prior approval from the VPR's Office before a proposal is submitted to a sponsor. Waivers on for-profit and foreign sponsors are generally not allowable.

As a public institution Texas A&M University must conduct research on a full cost recovery basis. When we do not recover F&A costs from private for-profit or foreign sponsors, the university is essentially subsidizing projects conducted for the primary benefit of the private for-profit or foreign company. The federal government specifically requires universities to ensure the federal government does not subsidize foreign or for-profit activities in the reimbursements it provides for F&A costs associated with the performance of federal research.

In order to obtain prior approval from the VPR's office for a reduction or waiver of the fully negotiated F&A cost rate, the F&A Rate Request Form should be completed, routed through the respective Department Head and Dean, or Unit Head of the lead PI and then forwarded to the VPR for approval. Any additional Co-PIs (and their respective Department Heads and Deans or Unit Heads) involved will be notified during the proposal routing stage. The request can be initiated electronically by your Sponsored Research Services (SRS) Proposal Administrator or via the link below: <http://vpr.tamu.edu/researchadmin/resources/forms/f-and-a-rate-request-form>.



Facilities and Administrative (F&A) Rate Request Form

This request should be submitted with a preliminary budget and statement of work as soon as you are aware that an Facilities and Administrative (F&A), also referred to as Indirect Cost (IDC) Rate Request may be needed for the submission of a sponsored project proposal.

Guidance on when to submit an F&A Rate Request Form can be found in the Facilities & Administrative (F&A) Rate Requests for Sponsored Research Agreements Guideline. Waivers of F&A costs for **foreign and private for-profit organizations are generally not allowable.**

If a proposal is awarded as a fixed price grant or contract and a residual balance remains at the end of the project term, then TAMU SAP 15.01.01.M1.02 Residual Balances from Fixed Price Sponsored Agreements, will be used as guidance for disbursement of the unspent balance.

Maestro Proposal Number:	Sponsor:
Principal Investigator:	Department:
Proposal Title:	
Total Estimated Budget Amount:	Proposed F&A Cost Rate:
F&A Cost Rate Allowed by the Sponsor:	Total Amount of Waived F&A Cost:
Project Location: On-Campus % Off-Campus %	
Project Category: Research Instruction Other Sponsored Activities	

Please explain the necessity and benefit to Texas A&M University and the State of Texas, in waiving the F&A costs. Attach a preliminary budget and statement of work, if available.

Principal Investigator	Date:
Department Head	Date:
Dean	Date:
Senior Associate Vice President for Research Administration	Date:

**Please submit completed form via email to the
Vice President for Research Office
preaward@tamu.edu**