



Policy: Recovery of Facilities and Administrative (F&A) Costs on  
Sponsored Projects  
Effective Date: January 2015  
Revision Date:

Policy Statement:

This policy document is intended to provide clarity in terms of Geisel's expectation for maximal recovery of facilities and administrative costs on sponsored projects, and when and how waivers of full F&A cost recovery may be considered for such projects. It is the School's expectation that waivers will only be granted in exceptional cases.

For reasons of sound fiscal management and the equitable stewardship of resources, Geisel requires that all faculty and other investigators seeking to organize or conduct sponsored activities through the School adhere to the terms of this policy. The Office of Sponsored Projects (OSP) at Dartmouth College will not accept proposals, applications or other requests for funding without full F&A recovery unless prior approval has been granted in accordance with this policy.

The Dean of the School of Medicine may revise, suspend or otherwise amend the provisions of this document in accordance with Geisel's evolving needs, and in consultation with the Dean's Academic Board and the Faculty Council.

Definitions:

*"Facilities and Administrative (F&A) Costs" – For the purpose of this policy and its application, facilities and administrative costs refer to the real infrastructure costs incurred by Geisel in support of a viable environment for the conduct of sponsored activities at the School. Such infrastructure costs include the cost of Geisel's physical plant and the allocable administrative costs related to the management and oversight of sponsored projects at Geisel/Dartmouth College.*

*"Indirect Costs (IDC)" – In the context of this policy, indirect costs or indirect cost recoveries shall be deemed synonymous with facilities and administrative costs as well as facilities and administrative cost recoveries.*

*"Waiver of F&A Cost Recovery" – In the context of this policy, a waiver of F&A cost recovery refers to situations where a principal investigator seeks to submit a funding request for a sponsored activity at Geisel that does not include the maximum amount of facilities and administrative costs, indirect costs, or other overhead allowance(s) normally permitted by the F&A Recovery Policy, eff. 1/2015*

*sponsor for the type of work proposed, or when a PI requests that Geisel accept reduced F&A cost recovery on a previously awarded grant.*

### Federally Sponsored Projects

1. It is expected that every proposal, grant application or other request for Federal funding of a sponsored project submitted through the Geisel School of Medicine will include the full negotiated Dartmouth College F&A rate(s) for the type(s) of activity proposed:
  - a. For federal support of sponsored activities (excluding fellowships and training grants), the current negotiated DHHS F&A cost rates shall apply and can be found at: <http://www.dartmouth.edu/~osp/resources/profile-fa.html>.
  - b. Dartmouth has separate negotiated federal F&A rates for specific sponsored activities including: on-campus research, other on-campus sponsored projects, and off-campus activities.
    - i. The majority of Geisel's sponsored research activities typically fall into the on-campus research category.
    - ii. The other on-campus sponsored project rate is for activities such as outreach programs, regional medical programs and other types of non-research, non-instructional programs.
    - iii. The off-campus rate applies only to activities of significant duration performed in facilities not owned by the College and to which rent is directly allocated (*or physical space for the conduct of the work is provided by another institution*).
  - c. For federal sponsorship of fellowships (e.g., F32's) and training grants (T32's), the maximum F&A recovery rate allowed by the sponsoring agency shall apply.
  - d. **Exceptions to this expectation shall require a waiver request be submitted and approved before proposal submission, as described in Section 2 below.**
2. When a PI seeks to submit a proposal, application or other request for federal funding for a sponsored project through Geisel at other than the full negotiated federal F&A rates, or requests a reduction in F&A rates for a previously awarded grant, s/he must request a formal waiver of F&A cost recovery from Geisel, in accordance with the process set forth below, in advance of the proposal being submitted to the sponsor or prior to any revision of the initial awarded F&A rate.
  - a. It is the PI's responsibility to:
    - i. Notify Geisel's Chief Financial Officer (Geisel CFO) of their intent to request a waiver of the negotiated F&A rate; and,
    - ii. Provide a written justification for the waiver explaining the specific rationale for the requested waiver, the annual and total project-period

budget(s) for the project, the difference between the full and proposed F&A recovery, and the Geisel and/or other institutional resources that will be used in support of the project over its expected term.

- iii. Identify commitments of internal or external support to cover the calculated shortfall in recoveries. It is expected that requests for waiver of F&A recoveries from Federal sources will be accompanied by such commitments.
  - b. **The request for waiver of full negotiated F&A costs shall be submitted to Geisel's CFO no fewer than 60 days in advance of the proposal due date.** A failure to submit the request under this timeline may result in the request not being considered and necessitate the project being submitted at the full negotiated Federal rate.
  - c. Geisel's CFO or his/her designee shall review the written request for completeness and communicate additional information needs directly to the PI.
  - d. Once a request is deemed complete, it will be added to the agenda of the next Dean's Academic Board (DAB) meeting for consideration and discussion.
  - e. The DAB shall make a recommendation to the Dean of the School of Medicine, including any proposed requests for financial support from the PI's department or partnering institutions (e.g. Dartmouth-Hitchcock (D-H), the White River Junction Veterans Affairs Medical Center (VAMC), Dartmouth College Arts and Sciences (A&S), Thayer, or Tuck).
  - f. The Office of the Dean will communicate a final decision to the PI on the request for waiver within three (3) business days of the scheduled meeting of the DAB.
3. **In accordance with this policy, proposals, applications or other requests for funding for a federally-sponsored project at other than Dartmouth's full negotiated federal F&A cost rates will not be submitted by OSP without approval from the Office of the Dean.**

#### Foundation Awards

1. It is expected that every proposal, application or other request for funding for a sponsored project to a foundation or other public charity (or like organization) that is submitted through OSP on behalf of Geisel principal investigators will be submitted at the maximum published or known cost recovery (or allowable overhead) rate for the foundation or charity, or in the absence of a published or known rate, at a minimum of 20% of total direct costs:
  - a. Published rates are often included on foundation websites, bylaws, funding notices and requests for proposals from sponsors.
  - b. When no published rates exist, if OSP is aware of a maximum rate(s) realized by Dartmouth from the foundation/charity for comparably funded projects, that rate shall be expected.



2. In the absence of published or otherwise known rates for specific foundations/charities, the PI shall propose F&A cost recovery in an amount equal to 20% of the proposed total direct cost budget, or otherwise include as direct costs enumerated support for certain infrastructure and/or administrative items that will be recovered by the School to support F&A recoveries at a level equivalent to 20% of total direct costs:
  - a. The latter, “direct (costs) in lieu of indirects”, may include budgeted support for space, institutional computing resources, financial management (or grants management) or other costs reasonably borne by Geisel in the performance of the proposed project.
  - b. “Direct (costs) in lieu of indirects” shall be clearly enumerated in the proposed budget and expenditure against these budget lines will be overseen by the Geisel Finance Office in conjunction with OSP.
    - i. Geisel’s Finance Office will develop specific “direct in lieu of indirect” cost recovery natural class codes that will be used to record such recoveries over the duration of the awarded project.
  - c. The PI may use any combination of awarded F&A cost recovery support and “direct (costs) in lieu of indirects” to achieve a necessary threshold of 20% of total direct costs.
3. If the PI seeks to recover F&A costs below the threshold specified above, s/he must provide Geisel’s CFO with a calculation of the resulting shortfall in F&A cost recoveries across the total project budget and a summary of any additional space or additional resources necessary to conduct the project, if applicable.
  - (a) If the proposed F&A shortfall amount exceeds \$25,000, or if the performance of the proposed activities will require additional space or other cost-intensive considerations, s/he may either submit a formal written request for waiver from the F&A cost recovery requirements of the School and/or sponsor (*see Federal Sponsors, Section 2, above*), or
  - (b) S/He may identify local discretionary faculty or departmental reserve accounts to fund the commensurate amount of F&A recoveries that would otherwise be required under this policy.
  - (c) If the proposal has a calculated F&A shortfall of less than \$25,000, the PI shall meet with the Chief Financial Officer (CFO) of Geisel or his/her designee to review the request for a waiver and gain approval.

Note that formal approval by the DAB and/or Geisel’s CFO may be conditioned on a number of variables, including the anticipated use of Geisel resources, the funding level and sponsored portfolio of the faculty member, the discretionary resources available to the faculty member and his/her department, and whether the activity funded has been identified by the Dean’s Office as an area of strategic importance for the School.

## Corporation and Industry Support

1. It is the expectation that when a faculty member or other individual with PI status seeks to submit a proposal, application or other request for funding for a sponsored project to a corporate or other industry (for-profit) sponsor, s/he will submit the proposal at Dartmouth's negotiated federal F&A rate for the type of activity contemplated in the proposal:
  - a. The current negotiated DHHS F&A cost rates shall apply and can be found at: <http://www.dartmouth.edu/~osp/resources/profile-fa.html>.
  - b. For projects involving support for clinical research trials, proposals shall be submitted at an F&A rate of 30% of total direct costs.
2. When a faculty member or other individual with PI status seeks to submit a proposal, application or other request for funding at a less than the full Federal rate(s), s/he must request a formal waiver of F&A cost recovery from the School in advance of the proposal being submitted to the sponsor (*see process under Federal Sponsors, Section 2, above*).
3. As permitted with foundation proposals (*see Foundation Awards, Section 2(a) – 2(c), above*), Geisel PI's may use any combination of awarded F&A recoveries and "direct (costs) in lieu of indirects" to reach the prescribed federal F&A rate for the type of work contemplated in the proposal.
4. If the proposal has an annual budget of less than \$100,000, the PI shall meet with Geisel's CFO or his/her designee to review the request for a waiver and gain approval to submit as proposed. Note that formal approval may be conditioned on a number of variables, including the anticipated use of Geisel resources, the funding level and sponsored portfolio of the faculty member, the discretionary resources available to the faculty member and his/her department, and whether the activity funded has been identified by the Dean's Office as an area of strategic importance for the School.