

Augusta University

Policy Library

Facilities and Administrative Cost Policy

Policy Manager: Sponsored Programs Administration

POLICY STATEMENT

This policy establishes the principles for the appropriate allowable recovery of Facilities and Administrative (F&A) costs (i.e. indirect costs) associated with sponsored program activities for Augusta University and the Augusta University Research Institute, Inc. (AURI).

F&A costs are true costs of institutional support for sponsored program activities. Therefore, sponsored program budgets are expected to include maximum recovery of F&A at the appropriate allowable rate so that the University is compensated for the true costs associated with the conduct of sponsored research and other sponsored activities.

When F&A is voluntarily waived or reduced on a sponsored program, an F&A Waiver Request Form must be completed. F&A will be recovered on residual balances in accordance with the Residual Balance Policy.

ROLES AND RESPONSIBILITIES

Principal Investigators (PIs): Primary responsibility for ensuring compliance with federal regulations as well as monitoring of expenditures, timely correction of errors, and proper allocation of expenses.

Departmental Responsibilities: Ensuring that F&A is properly applied to sponsored program budgets.

Division of Sponsored Programs Administration (DSPA): Ensuring compliance with, answering any questions, and reviewing and approving the rate applied and approving/denying any requests for F&A Waivers.

AFFECTED STAKEHOLDERS

Indicate all entities and persons within the Enterprise that are affected by this policy:

- Alumni Faculty Graduate Students Health Professional Students
 Staff Undergraduate Students Vendors/Contractors Visitors
 Other:

DEFINITIONS

Facilities and Administrative costs (F&A, indirect costs, overhead): Costs incurred for a common or joint purpose benefitting more than one cost objective and not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved.

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Executive Sponsor: VP, Sponsored Programs Administration

Next Review: 8/2027

Federally negotiated rates: Rates assigned by a Federal agency that are the result of the Augusta University's Division of Sponsored Program Administration developing and negotiating a F&A Cost Rate Agreement applicable to federal awards for both Augusta University campuses and AURI.

Modified Total Direct Cost (MTDC): All direct salaries and wages and associated applicable fringe benefits, materials and supplies, services, travel, and subaward costs up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the prime award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of \$25,000.

Salaries and Wages (S&W) Base: All direct salaries, wages, and fringes.

Total Direct Cost (TDC): Base consisting of all direct costs.

Equipment: Asset property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$5,000.

Off-Campus: Award is considered to be performed off-campus when the majority of the sponsored activity is conducted in a facility that is not owned by Augusta University and the facility-related costs (i.e. rent, utilities, etc.) are charged directly to the award. The award is also considered to be off-campus when the majority of the sponsored activity is conducted in a facility not owned by Augusta University and the university incurs no costs for using the non-AU owned facility.

On-Campus: Award is considered to be on-campus when the majority of the sponsored activity is conducted in a facility that is owned by Augusta University. An award is also considered to be on-campus when the majority of the sponsored activity is conducted in a facility that is leased by Augusta University but the facility costs (rent, utilities, etc.) are not charged directly to the award.

Patient Care: Cost of routine and ancillary services provided by hospitals to participants in research studies. Routine services include regular room services, medical and surgical supplies, and the use of equipment and facilities for which a separate charge is not customarily made. Ancillary services are those special services in addition to routine services, e.g., x-ray, operating room, laboratory, pharmacy, blood bank, and pathology.

Subaward (Consortium Agreement, Subgrant, Subcontract, Subagreement): Binding agreement between two or more parties that authorizes a portion of the sponsored activity to be performed by another organization. The agreement is written under the authority of, and is consistent with, the terms and conditions of the prime award or contract.

Clinical Trial: Prospective biomedical or behavioral research study of human subjects that is designed to answer specific questions about biomedical or behavioral interventions (drugs, treatments, devices, or new

ways of using known drugs, treatments, or devices). Clinical trials are used to determine whether new biomedical or behavioral interventions are safe, efficacious, and effective.

F&A Waiver: Exception to the appropriate F&A rate which results in an F&A recovery that is reduced from the maximum amount allowed. All waiver requests must be approved by the appropriate Dean, AURI Executive Director, and Senior Vice President for Research.

Residual Balance: Unspent funds that are not required to be returned to the external funding source once a project has closed and that may be transferred to a residual balance account.

REFERENCES & SUPPORTING DOCUMENTS

F&A Waiver Request Form - <https://augustauniversity.box.com/s/qbmx5sbc68tt3h8j04dgnzc5h40iz9ys>

Augusta University Rate Agreement -

<https://augustauniversity.app.box.com/s/8yyatvvy0e7cqregjlxfmwycmk300v5>

RELATED POLICIES

Institutional Review of Extramural Proposals –

<https://augustauniversity.app.box.com/s/liyp3tt3peb21cdfrgb6x94hkalihlz3>

Direct Charging Policy - <https://augustauniversity.box.com/s/czs0s5vlzmp476xbwyeo8tpxnv0mmh2a>

Cost Sharing Policy - <https://augustauniversity.box.com/s/8siy58tpm8ihobi9m1ffanblevojfdnx>

Utilization of Residual Balances -

<https://augustauniversity.box.com/s/laedqnuyvn1tzsr1ho8j8mnaig2rwejm>

APPROVED BY:

Executive Vice President for Academic Affairs and Provost, Augusta University

Date: 8/17/2022

President, Augusta University

Date: 8/17/2022