

## School of Medicine Research Policy

TITLE: FACILITIES & ADMINISTRATIVE RATES

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### Summary:

Wayne State University's policy is to apply the University's full relevant Facilities & Administrative (F&A) cost rate to all externally sponsored research projects. Proposals including provision for indirect cost recovery at rates less than those established by the University's negotiated agreement with the Federal Government will require pre-approval by the SOM Associate Dean for Research & Graduate Programs and the Provost (or his designee). If approved by the provost (or his/her designated representative), the amount waived will be deducted from indirect costs returns due the principal investigator, the department and the dean for the grant in question and, if necessary, other grants in an amount equal to the waiver. Note: The SOM will only grant such approvals for reductions or complete waivers only for compelling reasons.

The rationale for, and the importance of, recovering appropriate F&A costs cannot be emphasized, and are necessary steps to help relieve the financial burden facing academic institutions.

### Process:

Refer to University Policy 86-2, Indirect Cost Return Policy (Second Release 2/9/89), Section 2.0 (<http://www.wayne.edu/fisops/universitypolicy.pdf>) for the processing and distribution of indirect cost budget guidelines as it applies to the submission of proposals and distribution/award in order to achieve appropriate indirect cost recovery from the sponsor.

### Procedure:

A completed Form for External Support (FES) signed by the PI(s), Chair(s), Dean and SPA constitutes project approval. Signatures by the University officials require review of the protocol, contract for budget, resource commitments and university responsibilities. Documentation of Sponsor's policy regarding F&A allowance/rates should be appended if F&A is not allowed or is lower than the University's rate.

For access to the current Facilities & Administrative rates for the University, see (<http://www.spa.wayne.edu/bluesheet.html>). The amount applied to the total direct costs of the project minus certain exclusions, is a Modified Total Direct Cost (MTDC) base.

Again, some non-profit sponsors, who have their own established policies on the amount of F&A costs may be pre-approved for a reduction and/or waiver of the Wayne State's negotiated F&A cost rate. The Sponsored Programs Administration (SPA) Office will review and verify these exceptions and if necessary will forward those applications that are "exception-to-the rule" to the attention/endorsement of the Associate Dean for Research & Graduate Programs.

Clinical Drug/Device Studies:

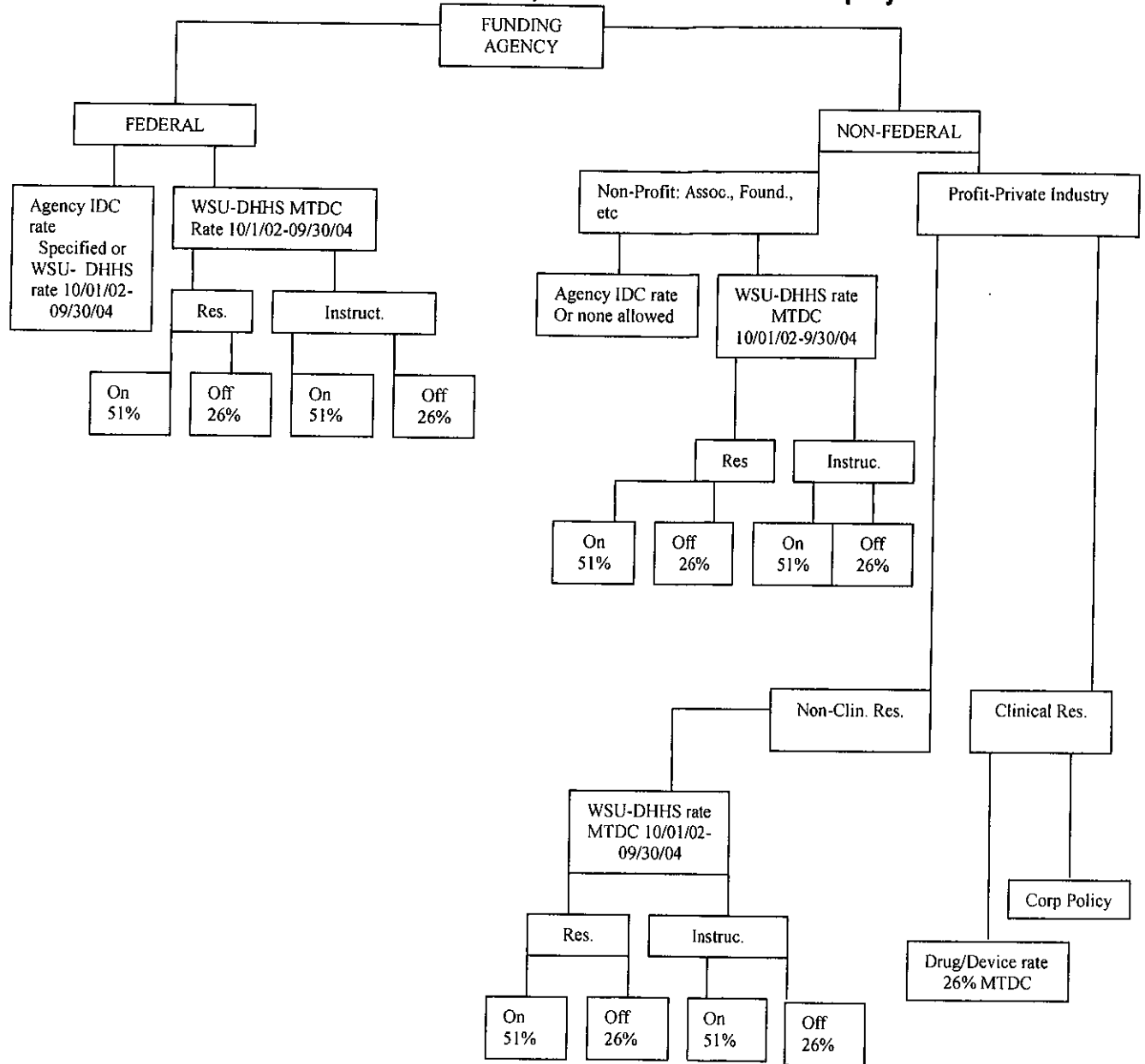
Indirect cost guidelines for clinical drug studies (completed by the clinical faculty of the School of Medicine, where the facilities and support services are provided chiefly by affiliated hospital and other sites approved by the dean of the Medical School) supported by pharmaceutical companies should request no less than a 26% Modified Total Direct Cost (MTDC) rate. Alternative indirect cost rates based upon established sponsor policies will require review by the SPA Office in accordance with University Policy 86.2, Section 2, Guidelines. Documentation of sponsor established, official indirect cost policies must be submitted with a project proposal if indirect costs are budgeted at less than 26% of MTDC.

**Please be assured that this procedure is not aimed at restricting the research initiatives but rather to provide reasonable, allocable, and consistency in what we request from federal as well as non-federal sponsors.**

**Reporting:**

Appropriate F&A costs will be documented on the University's Form for External Support (FES) with appropriate policy paperwork from the sponsor (if applicable) with internal approvals from the PI(s), Chair(s), Associate Dean for Research & Graduate Programs and SPA official.

**“Applying the correct indirect cost rate to sponsored research/instructional projects”**



Note: Other Sponsored Activities (10/1/02-9/30/04): On Campus – 40% MTDC; Off-Campus – 26% MTDC

All rates are applied to a Modified Total Direct Cost (MTDC) base. All direct costs are included in this base EXCEPT the following: rental costs, capital expenditures, tuition, stipends, patient care charges, equipment, scholarships, and the portion of each individual subgrant or subcontract in excess of the initial \$25,000. The cost should be requested on all proposals unless the policy of the sponsoring agency specifically prohibits them or offers other predetermined rates.

F&A Agreement date: 11/19/02