INDIRECT COST RATE POLICY

Category: Research  Date Established: 3/14/2019
Responsible Office: Office of Research and Sponsored Programs (ORSP)  Date Last Revised: 3/14/2019
Responsible Administrator: Associate Provost for Research Development and Administration

Summary

Indirect costs (also known as ‘overhead’ or Facilities and Administrative (F&A) rate) are the costs incurred by institutions as a result of grants/sponsored programs for expenses such as utilities, buildings, facility and instrumentation operation/maintenance, university services telephone and computer infrastructure, grant administration, etc. Since expenses are incurred through the performance of a sponsored project, a percentage is charged back to the agency or organization funding the sponsored project.

Indirect costs are calculated on a percentage basis against the amount of direct costs using the appropriate rate and cost base.

Policy

POLICY STATEMENT

Indirect costs must be budgeted for all proposals. One of the following rates must be used. Current rates are published on the SUNY Oswego Office of Research and Sponsored Programs (ORSP) website.

- **Federal Indirect cost rate:** The federally negotiated indirect cost rate must be charged and budget for all federal awards and federal flow-through or pass-through awards. SUNY Oswego’s federal indirect cost rate is based on salary and wages.
- **Non-Federal Indirect cost rate:** The non-federal indirect cost rate must be used for all non-federal awards. This rate is calculated on total direct costs (TDC).

Exceptions

- The 15.3% Non-Federal administrative/off-campus rate may be applied in the following instances on non-federal awards.
  - Budgets less than $25,000 and if not specified by Sponsor
  - Entirely off campus and no use of campus facilities
- If the Sponsor has a published allowable limited indirect cost rate, that rate must be used.

Rate apportionment:

- For those projects where all activities are performed in facilities not owned or leased by the institution or to which rent is directly allocated to the project, the off-campus rate will apply. Actual costs will be distributed between on-campus and off-campus components. Each portion will bear the appropriate rate.

Subawards to other SUNY Institutions:

- Indirect cost rate will be charged on subawards to other SUNY Schools as applicable by the appropriate type of indirect cost rate.
APPLICABILITY

This clarifying policy applies to all proposals and awards made to SUNY Oswego and its affiliates.

RESPONSIBILITY

Who should know this policy

- President
- Provost
- Vice Presidents and Assistant/Associate Provosts
- Deans and Associate Deans
- Department Chairs
- Faculty
- Office of Research and Sponsored Programs staff

Office of Research and Sponsored Programs (ORSP)

- Review sponsor guidelines to determine appropriate indirect cost rate to apply
- Review all proposal budgets to ensure correct indirect cost rate is applied

Principal Investigator

- Coordinate with ORSP prior to having budget discussions with and/or submission of budget to sponsor
- Compliance with this and all other applicable SUNY Oswego policies

Contact Information

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