

Facilities & Administration (F&A) Voluntary Waiver Guideline and Form

1. Guideline Statement

This ODU guideline establishes the conditions under which a waiver or reduction of Facilities & Administrative (F&A) costs will be considered and the requirements for requesting a reduction or waiver of these costs associated with a sponsored program. This guideline does not apply to vendor agreements (contracts indicative of a payment for goods and services received by a vendor vs a sponsored program).

2. Purpose

F&A costs, also known as indirect costs (IDC), are those costs incurred by an organization conducting sponsored programs which cannot be readily identified with a specific project, program, or activity, but are necessary for the general operation of the organization. Indirect cost rates at ODU for federal programs are set through negotiation with the federal government. Collecting F&A costs is important to ensure that sufficient funds are received to pay all sponsored program costs, not only the most obvious, such as salaries, travel, and equipment. Occasionally, a reduction in or waiver of the indirect costs may be allowed. When a reduction in or waiver of indirect costs occurs due to sponsoring organization policy, the rates charged to sponsored projects must reflect those that are predefined and universally applied.

3. Criteria for Indirect Cost Reduction or Waiver

ODU may strategically consider a reduction in or waiver of indirect costs and/or administrative fees in certain situations when:

- the benefit of the proposed project to the University, in terms of institutional capacity building, is deemed to outweigh the loss of indirect cost revenue;
- the proposed project is relatively small (e.g. <\$25k, <1 year), will not require significant effort and/or resources to administer, and will significantly assist the investigator in beginning or enhancing their research career;
- the project requires significant institutional cost-sharing that cannot be fully met by other sources (and providing that indirect cost can be used to meet cost-sharing requirements);
- ninety percent (90%) or more of the project funds are for student research assistantships or materials and supplies for student projects;
- the project supports a strategic partnership and the assessment of the full indirect cost rate on a project with a maximum allowable total cost would reduce the amount of direct funds available for project implementation to such an extent that the scope of work or deliverable could not be accomplished.

This list is not exhaustive, and investigators should NOT assume that the presence of one or more of these conditions will be sufficiently compelling to justify a reduction. However, if such conditions exist, they should be noted in the request.

Unacceptable Reasons. The University generally does not grant indirect costs waivers or reductions unless there is an exceptional reason to allow the waiver. In addition, indirect cost reductions or waivers are generally not granted in cases where the research is sponsored by a for-profit or foreign organization. F&A waivers/reductions will NOT be granted in the following circumstances:

- The perception that it would increase the competitiveness of a proposal.
- Because the sponsor is unwilling to pay the university's applicable F&A rate.
- The Principal Investigator failed to submit the proposal via approved institutional channels (e.g., through ODU Research Foundation) prior to submission to the Sponsor. In these cases, the Sponsor will be expected to pay the full applicable F&A rate or the department will be responsible for cost-sharing that portion of the F&A the sponsor refuses to pay.



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4. Procedures and Timeliness

- The Investigator should contact the VPR or his/her designee **at least three (3) weeks** or as soon as absolutely possible in advance of budget development and proposal submission if the need for negotiation of the F&A is anticipated.
- VPR or his/her designee reviews the request, obtains additional information as needed, and approves or denies the request.
- Faculty will need to have the 'Request for Indirect Cost Reduction or Waiver Form' below completed, signed, and submitted to the ODU Research Foundation **at least 3 weeks in advance of the proposal deadline**. The ODU Research Foundation needs this form in order to assist the faculty with a timely budget development process to meet the proposal submission and solicitation review deadlines.
- ODU Research Foundation attaches a copy of the form to the ePTF as it is routed for signature.

5. Responsibilities

- a. Principal Investigator – *The Principal Investigator (PI) is not authorized to negotiate a reduction in the F&A rate with the funding authority on any sponsored project.* Principal Investigators must make a request for a reduction or waiver of F&A costs in writing using the 'Request for Indirect Cost Reduction or Waiver Form' below.
- b. The Vice President for Research or his/her designee are the only individuals on campus who can give institutional approval for a request for an F&A reduction or waiver.



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Request for Voluntary Reduction of Facilities and Administration Costs

Instructions: Please complete this form only if you are requesting a rate less than the full allowable amount under the proposal opportunity. Please complete and return this form with all required signatures. All F&A waiver requests must be received to the Research Foundation with required supporting documents and completed with all signatures at least three weeks in advance of the proposal deadline. Requests received less than three weeks in advance of the proposal deadline may be denied without consideration.

Notes:

- This form is required if the PI is requesting a voluntary F&A rate lower than ODU's negotiated F&A rate or a sponsor's mandated rate.** To receive a voluntary reduced rate, the Principal Investigator, Chair or Director, and Dean must waive their F&A return. As such, the approval of each of these individuals is required on this form.
- This form is not required if the sponsor has mandated a lower F&A rate in writing and published such requirement to all applicants.** ODU applies the currently negotiated F&A cost rate to all federal, state, and privately funded sponsored projects. In the event a sponsor limits or prohibits the full federal F&A recovery, the institution will recover the full amount allowed by the sponsor. In these instances, the Principal Investigator, Chair or Director, and Dean must also waive their F&A return.

Principal Investigator:					
Academic Department:					
Institute or Center (if Applicable)					
Proposal Title:					
Proposal Due Date:					
Anticipated Project Start / End Dates:					
Sponsor Name:					
Step 1. Provide F&A Actual if Full Rate is Charged (All Years in the Competitive Segment): <i>For base, please choose one of the following:</i> Modified total direct costs TDC = total direct costs Other: _____	List full rate & base as decimal (e.g., .60 MTDC)	x	List aggregate direct costs against which F&A will be charged	=	List F&A amount if full rate were to be used
		x		=	
Step 2. Provide Requested Reduced F&A Rate (All Years in the Competitive Segment): <i>For base, please choose one of the following:</i> MTDC = modified total direct costs TDC = total direct costs Other: _____	List requested rate & base as decimal (e.g., .10 MTDC)	x	List aggregate direct costs against which F&A will be charged	=	List F&A amount if requested rate is approved
		x		=	
Calculated Loss to University: This is an estimate only; actual reduction will depend on the actual direct costs expended.	(subtract <i>requested</i> amount from <i>full</i> amount)				

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Select criteria for F&A Cost (or IDC) Reduction or Waiver

The benefit of the proposed project to the University, in terms of institutional capacity building, is deemed to outweigh the loss of indirect cost revenue.

The proposed project is relatively small (e.g. <\$25k, <1 year), will not require significant effort and/or resources to administer, and will significantly assist the investigator in beginning or enhancing their ability to secure additional sponsored research.

The project requires significant institutional cost-sharing that cannot be fully met by other sources; and providing that indirect cost can be used to meet cost-sharing requirements);

At least ninety percent (90%) of the project funds are for student assistantships and/or materials and supplies for student projects.

The project supports a strategic University partnership and the assessment of the full F&A cost rate on a project with a maximum allowable total cost would reduce the amount of direct funds available for project implementation to such an extent that the scope of work or deliverable could not be accomplished.

Reason / justification for the request:

Please indicate in detail the reasons the University should subsidize the costs of this project by reducing the F&A rate that all sponsors are expected to pay. If the sponsor cannot pay or is unwilling to pay the full rate, please explain why. Explain the impact on the project if the full rate is charged.

For strategic waivers, explain why it is in the best interest of the university overall (in addition to any benefit to your college or academic unit) to accept this waiver.

The undersigned approve the reasons for the requested F&A rate reduction and agree to waive F&A return to their respective unit. The undersigned further understand and agree that if this project is funded on a fixed-price or fixed-rate basis and residual funds remain at the end of the award, the residual funds will be used first to recover all reduced F&A costs based on the total direct costs awarded.

Principal Investigator:

Department Head:

Institute/Center Director:

If applicable

Dean or Associate Dean for Research:

Comments:

Once signatures have been collected: PI may electronically submit form by clicking the yellow 'Submit Form' button here or can separately email the completed PDF form to the Vice President for Research at kfridley@odu.edu and the SAVP for Sponsored Programs and Research Development at s4robins@odu.edu.



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Internal use only:

Waiver is: Approved Denied Revised (see comments)

Comments:

Fiscal Year of Waiver: _____

VPR: _____ Date: _____

or
VPR Delegate: _____ Date: _____

Reviewed by
ODU RF GCA: _____ Date: _____