Grants and Funded Research

CCSU Indirect Rate for External Funding

Definition

Indirect costs (also known as "Facilities and Administrative" or "overhead" costs) are those costs incurred by CCSU for administering grants and contracts but are not directly applicable to the project. Indirect costs typically cover administrative and infrastructural needs of the University.

CCSU Indirect Cost Rates

Federally Funded Grants and Contracts
CCSU has a negotiated federal indirect rate of 62% of salaries and wages (excluding fringe benefits) for all on-grounds projects. This rate must be applied to all federally funded projects where more than 50% of activities occur on campus.

A lower indirect cost rate of 26% of salaries and wages may be applied for off-grounds projects. The rate agreement defines “off-grounds activities” as those performed in facilities not owned by CCSU and to which rent is directly allocated to the project(s). Grants or contracts will not be subject to more than one indirect cost rate. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project.

Externally Funded Projects with a Specified Indirect Cost Rate
Many funding agencies restrict allowable indirect costs or require a specific indirect cost rate. If pre-determined by the funding agency, the stated indirect cost rate will be applied to CCSU grants and contracts, following discussion with the Director of GFR.

Non-Federally Funded Grants and Contracts
Some funding agencies may not allow the application of the federal indirect cost rate. In these instances, the University will seek to recover as much indirect cost as possible in accordance with what the funding agency will allow. The University will negotiate an alternative indirect rate with the funding agency, in consultation with the Chief Financial Officer and/or the University President.

Waivers of Indirect Costs
In some cases, the funding agency will refuse to allow indirect costs and ask CCSU to “waive” them. It is not the position of the University to waive indirect costs, except in compelling and unusual circumstances. The waiver of any portion of eligible indirect costs must be approved in advance by the Chief Financial Officer and the University President. In these situations, an
Indirect Costs Waiver request will be submitted by the Office of Grants and Funded Research to the Chief Financial Officer (after consultation with the principal investigator, the department chairperson, and the dean of the principal investigator’s school or college) prior to circulation of the final proposal for internal review and processing. An Indirect Costs Waiver request should be submitted well in advance of the proposal deadline to ensure adequate time for review and processing.

The Indirect Cost Waiver request must contain the following information:

- Amount of the waiver and the reason for the request
- Significance of the proposed research and support
- Consequences of accepting or denying the waiver

Indirect Cost Waivers will be considered for reasons that may include one or more of the following scenarios:

- The funding opportunity requires a certain level of cost share or matching that cannot otherwise be met from in-kind or cash commitments;
- The total funding available from the funding agency is relatively small or a predetermined fixed amount and the full recovery of the indirect costs from the dollars available would decrease the direct costs available to the project and thus make the implementation of the project very difficult;
- The principal investigator or department is going to undertake the proposed project regardless of the funding and therefore, the availability for external funds to support this effort can be viewed as a partial offset to University commitments.

All requests will be reviewed by GFR to clarify sponsor policy, to determine past and potential precedents, and to provide a recommendation to the senior administration of the University. The financial implications of the waiver should be clearly spelled out.

The following factors will be considered in determining if an indirect cost waiver is appropriate for a particular proposal:

- The significance of the project to the principal investigator, academic department, school or college, and the willingness of the responsible unit to cost-share its portion of the indirect cost recoveries;
- History and anticipated future support from the funding agency;
- Total proposed budget, amount of the requested waiver, and the precedent that will be established for the university unit, type of research, and/or sponsor category;
- Availability of support from other sources;
- Relevance the project has to the mission of the University;
- Nature of the support (e.g., student stipend, interim support between other projects, support which complements other projects);
- Whether other entities/agencies involved in the proposed project have accepted lowered indirect cost recoveries.