


<p>Name of Policy: <u>Facilities and administrative costs</u></p> <p>Policy Number: 3364-70-23</p> <p>Approving Officer: President</p> <p>Responsible Agent: Senior Director for Research Administration</p> <p>Scope: All University of Toledo Campuses</p>	 <p>Original effective date: May 28, 2009</p>						
<table border="0"> <tr> <td data-bbox="167 594 711 667"> <input type="checkbox"/> New policy proposal </td> <td data-bbox="711 594 812 667" style="text-align: center;"> <input checked="" type="checkbox"/> X </td> <td data-bbox="812 594 1372 667"> Minor/technical revision of existing policy </td> </tr> <tr> <td data-bbox="167 667 711 777"> <input type="checkbox"/> Major revision of existing policy </td> <td data-bbox="711 667 812 777" style="text-align: center;"> <input type="checkbox"/> </td> <td data-bbox="812 667 1372 777"> Reaffirmation of existing policy </td> </tr> </table>	<input type="checkbox"/> New policy proposal	<input checked="" type="checkbox"/> X	Minor/technical revision of existing policy	<input type="checkbox"/> Major revision of existing policy	<input type="checkbox"/>	Reaffirmation of existing policy	
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(A) Policy statement

When the University of Toledo (“university”) facilities and/or personnel are utilized for sponsored programs, the sponsoring agency or corporation must reimburse UT for the facilities and administrative costs (“FAC”), also known as indirect costs associated with the sponsored program. FAC includes those institutional costs which cannot be identified with a specific sponsored program, yet are essential (e.g., library operation, facilities and infrastructure support and administrative costs).

(B) Purpose of policy

The purpose of this policy is to provide university faculty and staff guidance on the use of FAC in proposal and budget development.

(C) University FAC rates

The federal FAC rate is determined by negotiation with the department of health and human services at regular intervals. There are different rates for the main and health science campuses and within each campus, different rates for various types of activities (e.g., research and instruction). Current federal FAC rates may be found on the university research and sponsored programs (RSP) web site (<http://www.utoledo.edu/research/funding/information.html>). Applicants should select the appropriate rate for their specific campus and the type of activity proposed in the application. Final approval of the FAC rate for each application is the responsibility of the RSP office.

(D) University FAC rate adjustments

The FAC rate is not negotiable on any federally funded program or project. Any proposed reduction from this rate for a particular program sponsored by a non-federal entity requires the

university to cost-share the difference between the federal FAC rate and any reduced rate approved by the RSP office for a specific application. There are occasions when the university will support a project by assuming all or part of the projects indirect costs. An example of such an occasion is when the funding agency limits the amount of indirect costs payable by the agency. All deviations from the federal FAC rate must be approved in advance by the provosts, the vice president for research development or the senior director for research administration. Individual investigators do not have the authority to negotiate the FAC rate for their sponsored program(s), and in some cases, doing so could represent a conflict-of-interest in violation of Ohio law.

(E) Third party purchases

The practice of allowing the program sponsor or any other third party to purchase supplies, etc., directly for use by university investigators, thereby circumventing the university FAC charges and university purchasing/receiving policies and procedures, or making direct payments to study personnel or study subjects, is strictly prohibited. All such transactions must "flow" through the university restricted, sponsored program account set up for support of the specific sponsored program.

(F) FAC and budget development

To avoid an inadequate "bottom line" being established prematurely for an extramurally sponsored program, preliminary budgets should be discussed with the RSP office prior to contacting a potential sponsor to ensure that an adequate budget, including FAC, has been projected. When the basis for FAC is anything other than total direct costs, FAC is budgeted for convenience based on the principal investigator's direct cost budget, but actual FAC recovery is determined by expenditures and, if necessary, monies may be rebudgeted from direct costs to FAC. For example, if the basis for FAC is modified total direct cost (MTDC), as is the case for all UT federal grants/contracts, equipment and patient care expenses are excluded from FAC. If the budget for a particular grant/contract is established with all of the funds in one of those two FAC-excluded categories, no monies will be budgeted for FAC, but if any monies are re-budgeted and expended for personnel, supplies or any other FAC-applicable category, monies must also be re-budgeted from direct cost categories to pay the applicable FAC. In short, FAC is not capped at the budgeted amount, but will be collected on all FAC-applicable expenditures, even if rebudgeting from direct cost is required.

When clinical trial budgets are quoted by the sponsor as a specified dollar amount per patient or for the entire study, this dollar amount represents total cost, which includes the university FAC. Revenue from such clinical trials will be divided in the university restricted, sponsored program account between direct cost and FAC based on the applicable FAC rate for that study.

<p>Approved by:</p> <p><u>/s/ laj</u> Lloyd A Jacobs, M.D. President</p> <p><u>June 11, 2009</u> Date</p> <p><i>Review/Revision Completed by: Senior Director for Research Administration</i></p>	<p>Policies Superseded by This Policy:</p> <ul style="list-style-type: none">• <i>III-3-1 Externally sponsored programs-procedures for grant development (Adopted 02/10/1999)</i>• <i>03-001 Grants, contracts, clinical trials and all other sponsored programs (Revised 01/05/2007)</i> <p>Initial effective date: May 28, 2009 Review/Revision Date: Next review date: May 28, 2012</p>
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