



PROCEDURAL STATEMENT

OCG Procedural Statement Title: Requesting Indirect Cost (F&A) Waivers and Reductions
Functional Area: Research Administration

Related Policy: CRS 24-113-104; CU Boulder Indirect Cost Rate Agreement; Indirect Cost Recovery Policy Statement; Indirect Cost (F&A) Reductions and Waivers Policy Statement
Effective Date: August 15, 2018
Approved by: Terri Fiez
Responsible Office: Research and Innovation Office

I. BACKGROUND

CU Boulder policy requires the campus to seek full recovery of Direct and Indirect costs (F&A) except in rare situations as detailed in this procedural statement. Federal and state law and regulations require that the approved F&A rate be applied consistently to all sponsored projects, and CU Boulder is scrutinized for compliance. In addition, state law and University policy require CU Boulder Principal Investigators (PIs) to perform sponsored projects on a full-cost basis unless such recovery is restricted by law or public policy, or unless a determination has been made that accepting less than full-cost recovery is in the best interests of the University. CU Boulder expects that F&A costs will be recovered to the maximum extent possible. F&A reduction requests are required if the PI, sponsor, or others related to the project request an F&A rate other than CU Boulder's federally negotiated rate and there is no sponsor published guidelines indicating the required use of a lesser rate.

Failure to recover allowable direct and F&A costs jeopardizes the negotiation of the federally approved rate agreement and reduces CU Boulder's fiscal capacity to perform sponsored research and to support faculty scholarship and artistry. Documentation of all F&A reductions is required to ensure CU Boulder has reviewed requests for consistency in costing proposals. The decision and authority to approve F&A reduction requests is held by CU Boulder's Vice Chancellor for Research or their designee.

II. Indirect Cost (F&A) Reduction and Waiver Requests

Case-by-Case F&A Reductions or Waivers are granted only under exceptional circumstances. PIs must complete an [Indirect Cost Reduction or Waiver Request form](#) and provide it to the appropriate Proposal Analyst a minimum of 10 business days before the published deadline for a proposal to be submitted with a reduced rate. The following criteria will be used when reviewing the request:

- Relation to and in support of university strategic initiatives
- Education and public outreach grants promoting public awareness and understanding of science and making informal contributions to science education
- Effect of a reduction to increase direct costs available for student support
- Evidence that an award would be seriously jeopardized without a reduction, and evidence of the potential effect of the loss on the PI's overall research program
- Benefit of the reduction to new or junior faculty members or in support of research efforts in new directions which otherwise might not be sufficiently developed to attract typical peer-reviewed awards

- Equity of granting the reduction when the projects of other campus researchers carry full F&A

Below are project circumstances in which F&A reduction requests are generally not considered:

- Sponsor is a Federal entity
- Sponsor is providing Federal flow-through funds, regardless of whether such funds are flowed through state government, local government, industry, etc.
- Sponsor is a for-profit entity, including those in which the project has a financial interest in the entity.

If an existing project has an approved F&A reduction in place, and additional **non-competing** funding (i.e. supplement or renewal) provided by the sponsor exceeds 25% of the original award amount, then a new reduction request must be submitted. All **competing** continuation/supplemental/renewal funding will require a new reduction request.

If F&A is reduced on a project per a case-by-case F&A Reduction or Waiver Request, all associated project unit(s) will forgo any indirect costs that might otherwise be returned to the unit(s). The decision and authority to approve F&A reduction requests is held by CU Boulder's Vice Chancellor for Research or his/her designee.

III. 10 Business-Day Rule

Completed F&A Reduction requests must be received by the OCG Proposal Analyst at least ten (10) business days in advance of the sponsor deadline. Requests submitted after this deadline may not be considered.

IV. RELATED PROCEDURAL STATEMENTS, FORMS, POLICIES, & TOOLS

Indirect Cost Recovery Policy Statement

[Guidelines for DA-ICR Distribution](#)

[Current F&A rates](#)

[Understanding Facilities and Administrative \(F&A\) Costs handout](#)

[Indirect Cost Reduction or Waiver Request Form](#)

[IDC Addendum](#)

[Cost Share Addendum](#) and [Cost Share Addendum Instructions](#)

[Negotiated ICR Split Agreements](#)