UC’S CURRENT INDIRECT COST EXCEPTION PRACTICES

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UCOP APPROVES EXCEPTIONS TO FULL APPLICABLE INDIRECT COST RATE

• REGENTS’ STANDING ORDER 100.4(M) AUTHORIZES THE PRESIDENT TO NEGOTIATE AND APPROVE ALL INDIRECT COST RATES, AND INCORPORATES THE AUTHORITY TO APPROVE EXCEPTIONS TO APPROVED RATES. THUS, UNIVERSITY POLICY ALLOWS FOR INDIRECT COST RATE EXCEPTIONS TO BE GRANTED BY THE PRESIDENT UNDER CERTAIN CIRCUMSTANCES.

• AUTHORITY TO APPROVE EXCEPTIONS TO NEGOTIATED INDIRECT COST RATES IS AT THE OFFICE OF THE PRESIDENT (UCOP), AND HAS NOT BEEN REDELEGATED TO CHANCELLORS OR LABORATORY DIRECTORS. THEREFORE ALL REQUESTS FOR EXCEPTIONS TO THE POLICY OF APPLICATION OF FULL APPLICABLE INDIRECT COST RATE MUST BE APPROVED BY UCOP.
THREE EXCEPTIONS TO FEDERAL AND STATE IDC RATE

• WE HAVE FEDERAL AND STATE NEGOTIATED INDIRECT COST RATES

• EXCEPTIONS
  1. SPONSOR POLICY
  2. CAMPUS DETERMINATION
  3. SPECIAL APPROVAL

HTTP://RESEARCH.UCDAVIS.EDU/PROPOSALS-GRANTS-CONTRACTS/HELPFUL-LINKS/INDIRECT-COST-FRINGE-BENEFIT-RATES/FA-RATES/#EXCEPTIONS
SPONSOR POLICY EXCEPTION

8-5401 OF THE C&G MANUAL DESCRIBES THESE RESTRICTIONS AS:

• “BONA FIDE RESTRICTION INITIATED BY THE SPONSOR AND NOT AN AD HOC RESTRICTION BASED ON DISCUSSIONS WITH THE CAMPUS”

• “DOCUMENTATION SHOULD BE UNAMBIGUOUS IN DESCRIBING HOW INDIRECT COST RECOVERY IS CALCULATED SO THAT UC MAY RECOVER ITS ENTITLED INDIRECT COST UNDER A SPONSOR’S POLICY”

SPONSOR RESTRICTIONS MAY BE BY STATUTE, BYLAWS OR POLICY OF NON-PROFIT ENTITIES.
CAMPUS DETERMINATION

• “VITAL INTEREST” EXCEPTIONS HAVE BEEN ELIMINATED BY UCOP AS AN OPTION FOR IDR EXCEPTION

• HOWEVER, MOST REASONS/ITEMS WHICH TYPICALLY IN THE PAST WERE CLASSIFIED AS “VITAL INTEREST” MAY NOW BE CONSIDERED AS “CAMPUS DETERMINATION”.
  • EXAMPLES: SMALL SEED GRANTS WHICH MAY ATTRACT FUTURE LARGER AWARDS;
  • AWARDS WHICH INCLUDE CONTRIBUTIONS OF MAJOR EQUIPMENT, OR BUILDING RENOVATION FUNDS;
  • AWARDS FOR A COMMUNITY RELATIONS INTEREST VITAL TO THE CAMPUS;

• IF THERE ARE JUSTIFICATIONS LIKE ABOVE TO SEEK TO APPLY LESS THAN FULL INDIRECT COST RATE TO A PROPOSAL, PLEASE CONTACT SPO PRIOR TO SUBMISSION OF THE PROPOSAL.

• IF THE SPO DIRECTOR (AND SOMETIMES THE VCR) ENDORSES THE REQUEST, IT WILL BE FORWARDED TO THE OFFICE OF THE PRESIDENT FOR FURTHER CONSIDERATION. UCOP WILL APPROVE OR DENY THE REQUEST AND THE PI WILL BE NOTIFIED OF THE DECISION.

• CAMPUS DETERMINATION DOES NOT MEAN PROGRAM DIRECTORS, PY’S, DEPT CHAIRS OR DEANS CAN REDUCE IDR

• THIS EXCEPTION TYPE RARELY WILL BE GRANTED
SPECIAL APPROVAL

• FOR EXCEPTIONS TO STATE OF CALIFORNIA NEGOTIATED RATE (THE RATE ON APPLICABLE ON THE MODEL AGREEMENT)

• THE CAMPUS CHANCELLOR HAS TO APPROVE PRIOR TO UCOP APPROVAL

Rationale

A request must include a rationale that includes appropriate documentation and responds to the below questions.

Documentation

• Describe the restriction (both the rate and base).
• Provide documentation of this restriction, whether a policy document, agency website, or a solicitation.
• If the agency asserted that there is a statutory or regulatory reason for the limitation of indirect cost recovery, please provide links, citations, or other documentation of the regulatory or statutory reason for this limitation.

Questions

• Has your campus sought to apply the appropriate UC Rate for this proposal?
• What differentiates this project from other projects at your campus to merit exceptional treatment?
• Has the agency indicated that it would consider use of the UC Rate in the future?

Requests that do not respond to these requirements will be returned.