

CALIFORNIA STATE UNIVERSITY BAKERSFIELD

Policy on the Use of Recovered Facilities and Administrative (F&A) Costs (Indirect Costs)

I. Policy Objective

Facilities and Administrative (F&A) costs (also referred to as Indirect Costs) are actual costs incurred by the University and the CSUB Auxiliary for Sponsored Program Administration (SPA); they are not a profit generated by sponsored projects. F&A costs are project costs unavoidably incurred in the normal course of executing a sponsored project. These costs are incurred for common or joint objectives with other projects or activities, and are not identified readily and specifically with the sponsored project. These costs include: general administration, school and departmental administration, sponsored project administration, building use allowance, equipment use allowance or depreciation, maintenance and operation of physical plant, library, and student services. Recovered of F&A costs are University or SPA funds recovered for the reimbursement of these incurred costs. The allocation of recovered funds is under the purview of the President and the Board of Directors of SPA. This policy establishes the allocation and distribution of recovered Facilities and Administrative costs at the California State University, Bakersfield.

II. STATEMENT OF POLICY

It is the policy of CSUB to use recovered F&A costs to cover, in the first place, the costs of sponsored project administration and research-related infrastructure. It is also the policy of the University to use available funds from recovered F&A costs to support and stimulate further research and creative activity directed at increasing external sponsorship of research, creative activity, training and community service.

III. Allocation of Recovered F&A Costs

In order to ensure that recovered F&A costs are allocated to support and stimulate further research, creative activity, and the development of other sponsored projects, recovered funds not designated for cost-sharing or sponsored project administration will be allocated as follows:

Of the total recovered F&A costs available* for distribution,

- A. 25% will be allocated to the Provost to support and stimulate further research and creative activity
- B. 40% will be allocated to the Schools to support and stimulate further research and creative activity; distribution will be made in proportion to F&A costs recovery from each School
- C. 10% will be allocated to the Departments to support and stimulate further research and creative activity; distribution will be made in proportion to F&A costs recovery from each Department
- D. 10% will be allocated to the Principal Investigators; distribution will be made in proportion to F&A costs recovery from the grants and contracts of each PI
- E. 15% will be allocated to the AVP GRASP for institution-wide research development support

**The costs of sponsored project administration (including EO 1000), meeting SPA Board reserves requirements, and research-related infrastructure, will first be covered from recovered F&A costs before this distribution is carried out. Funds available for distribution will be determined by the President and the Board.*

Projects with Cost-Sharing Commitments: The allocation stipulated in A, B, C, D and E do not apply to projects with cost-sharing commitments. The allocation of recovered F&A costs from all externally funded grants, contracts and other agreements that involve cost-sharing will be determined by the AVP for GRASP, in consultation with the Provost.

IV. Distribution of Recovered F&A Costs

Recovered F&A costs will be distributed to the relevant recipients using appropriate Chartfield accounts established for this purpose in the university accounting system. Amounts allocated to Principal Investigators will be proportional to the "Percent of Credit" stated on the *Proposal*

Routing Form for Proposals, Agreements and/or Awards. Consistent with the objective of this policy, University and CSU regulations, these funds must be used to support research, creative activities and other sponsored project activities. This includes administrative support for existing sponsored projects or expenses related to the development of new projects. Other allowable expenses, by account category, include but are not limited to the following:

- Summer salary for faculty for research effort
- Supplemental compensation for faculty research effort
- Wages for students or other personnel to assist with research and administrative support of research projects
- Travel related to professional development or research development
- Equipment for research
- Memberships and subscriptions
- Publication charges
- Research-related supplies and services.

The use of recovered F&A costs for expenses other than those listed above requires the review and recommendation of the Director of Grants Management Operations, and the approval of the Associate Vice President for GRaSP.

Approved by the Board of Directors of the CSUB Auxiliary for Sponsored Programs Administration on May 29, 2015.