

WORCESTER POLYTECHNIC INSTITUTE

Policy Title: Facilities and Administrative (F&A) Reductions or Waivers

Purpose

Facilities and Administrative (F&A) costs, also known as Indirect Costs (IDC), are a critical component of our research resources as they support the operation, maintenance and administration of our research infrastructure. On rare occasions, a reduction in or waiver of F&A may be requested and approved. This document describes the policy and procedures for addressing such requests.

General Principles and Guidelines

The F&A rates are negotiated with our cognizant federal agency (Office of Naval Research), and it is important that the institution maintain a consistent and transparent approach in recovering the F&A costs from all funding agencies.

An investigator is not authorized to negotiate a reduction in or waiver of F&A costs with the sponsor on any sponsored project.

Policy

It is the policy of Worcester Polytechnic Institute to apply the University's full applicable F&A rate, as outlined in the negotiated agreement, to all externally sponsored projects.

The University will accept a lower F&A rate whenever there is an established written policy of the sponsor that limits the allowable indirect costs. In those cases, Worcester Polytechnic Institute will charge the maximum allowed rate as published in the sponsor's funding program information or as confirmed in writing by the sponsor. Examples include private not-for-profit foundations, and certain federal funding programs (e.g., for training grants).

Exceptions

WPI may consider a reduction or waiver of F&A costs in certain rare situations, which may include, but are not limited to, the following:

- The benefit of the proposed project to the University, in terms of institutional capacity building, may be deemed to outweigh the loss of indirect cost revenue
- The project requires significant institutional cost-sharing that cannot be fully met by other sources

As a matter of policy, indirect cost waivers are RARELY granted, in particular if requested for projects funded by international or corporate sponsors.

Procedures

Requests for a reduction or waiver of indirect costs must be made in writing by the Principal Investigator to the Vice Provost for Research, for approval. The request must include a waiver justification, which identifies the benefit to the University for accepting the project at the reduced rate, as well as a budget and budget justification.

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