

Simmons UNIVERSITY

Policy name: Simmons University's Policy on Indirect Costs

Administrator & Offices Responsible for Policy Monitoring and Update:
Sponsored Programs (CFE) and the Office of Advancement

Effective Date: January 1, 2025

Policy Scope

Context: Simmons University contracts with the federal government to set a Facilities and Administrative Expenses (F&A) rate for all federal projects. The full F&A rate is currently [49% of Modified Total Direct Cost \(MTDC\)](#) and subject to change when the contract expires. The full F&A rate is applied to all federal proposals, except for federal funding opportunities setting a limit to F&A recovery (i.e. training grants).

This policy seeks to establish the following:

- Minimal indirect cost rates applied to **non-federal proposals**;
- A mechanism for requesting a reduced indirect cost rate for **non-federal proposals**;
- Guidance for budgeting administrative expenses as direct costs; and
- An indirect cost recovery redistribution policy for eligible projects and programs.

The primary intended users of this Policy are the Provost's Office, the Office of Advancement (Advancement), the Center for Faculty Excellence's Sponsored Programs staff (CFE), the Finance Office (Finance), academic leadership, and all faculty and staff.

Policy Purpose

This Policy is designed to ensure that Simmons University has consistent and transparent guidelines and structures that can be shared among all internal stakeholders relating to both requests for indirect costs for non-federal grant applications and the redistribution of acquired indirect costs.

Responsibilities and Procedures

Indirect Costs for Non-Federal Proposals

1. The University is committed to the full recovery of the facilities and administrative (indirect) costs to support non-federal philanthropically supported projects and programs. Simmons University recognizes that most non-federal donors limit their indirect cost reimbursement to a rate below our federally approved rate. Proposers should attempt to discover the prospective funder's published indirect rate policy and apply the maximum rate that can be applied pursuant to the funder's written policies.
2. The University sets a minimum indirect cost rate for all non-federal proposals at **15%** of total direct cost (TDC). Any rate below the aforementioned minimum rate will require a waiver or reduction approval.
3. Only the External Funding Priorities Committee has the authority to waive or reduce indirect cost requests. Proposers will include the rationale for their request, and the waiver or reduction request will be reviewed through the existing InfoReady approval process for applying for external funding.
4. In cases where a non-federal prospective funder sets a minimum rate below the full indirect cost rate, proposers should try to include additional administrative expenses as direct costs. These will include, but are not limited to administrative personnel's salary and fringes, and will be determined by the project's/program's needs and maximum budget.
5. Any application of a rate below the full rate is to be considered as foregone recovery. The amount of foregone recovery can be considered Simmons University's cost share, and may be included as such on funding proposals (if the prospective funder allows or requires cost-sharing).

Indirect Cost Recovery Redistribution

Simmons University supports principal investigators, faculty, administrators, and staff members in their academic, research, and programmatic endeavors. As such, the University will redistribute any recovered indirects, in order to foster research independence and innovation. To be eligible for indirect cost recovery redistribution, both the proposer and the project/program must satisfy the following criteria:

Proposer eligibility:

- Full-time faculty, administrator, or staff member
- Up-to-date with all required grants reporting and training

Project/Program eligibility:

- Full indirect cost rate recovery for the life of the grant, 49% of MTDC for federal grants and 15% for non-federal grants (if allowed)
- Total indirect recovery amount for the project/program (all years) is above \$10,000

Calculation and use of the redistributed funds:

- Funding increments will be redistributed in the beginning of the fiscal year following the receipt of the indirect cost recovery and must be utilized within that fiscal year
- 50% of the recovered indirects will go the University
- 50% of the recovered indirects will be transferred to the Provost's Office to be used for strategic initiatives at the Provost's discretion
- Redistributed funds can only be used for research and professional development initiatives during the fiscal year received

Offices Responsible for this Policy: CFE and the Office of Corporate and Foundation Relations are responsible for writing, updating, and interpreting this Policy.

Related Policies: None