Policy
To assist the faculty and staff in their attempt to attract extramural funding, the University System negotiates and signs agreements with the federal government which establishes the allowable rates of reimbursement for indirect costs. These rates are then accepted by all federal agencies as the official estimates of the indirect costs incurred in performance of extramurally funded projects.

Authority
The UW-River Falls Chancellor issues this policy in accordance with the Administrative Policy process.

The Vice Chancellor for Business and Finance is responsible for the administration of this policy. To request an exception to this policy, mailto: administrative-policy@uwrf.edu or by communicating with the Director of Grants and Research.

Sanctions and Appeals Process
Failure to adhere to the provisions of this policy may result in appropriate disciplinary action as provided under existing procedures applicable to students, faculty, and staff, and/or civil or criminal prosecution.

Procedure
Federal Projects: All grant and contract applications to and awards from federal agencies (except as otherwise provided by federal regulations) must include indirect costs calculated at the agreed upon rate as set forth in the University/DHHS Negotiation Agreement or the established rate of the sponsoring agency. Questions on these rates should be addressed to the Director of Grants and Research.

Non-Federal Projects: Normally, indirect costs for non-federal grants and contracts must be included at the federally negotiated rates currently in effect. However, if the sponsoring agency has an established indirect cost rate which is less than the federal rate, the University will consider accepting that rate only after a review to determine if it is (1) a published rate; (2) an agency-wide policy; and (3) consistently applied by that organization to all its outside grants and contracts with educational institutions.

Faculty and staff should consult with the Director of Grants and Research regarding the indirect cost rate to be used when developing an outside funding proposal.

The Controller will inform the Director of Grants and Research of changes in the indirect cost rate when a new rate is negotiated and agreed upon with the federal government.

University Responsibilities
The University must recover two components of costs when undertaking any extramurally funded project. Costs to be recovered are (1) direct costs attributable to the specified project and (2) indirect costs incurred for the general support and management of the project.
Indirect costs incurred in coordinating or supporting the project are actual costs to the University. Funds paid to the University for indirect costs of a sponsored project are reimbursement for expenditures actually incurred covering costs such as utilities, custodial services, building and equipment use charges, library services, and general and departmental administration.

**Department/Unit Responsibilities**

The Office of the Vice Chancellor for Business and Finance, Controller's Office and the Director of Grants and Research are responsible for monitoring this policy.

**Contact**

To direct questions about this procedure, mailto: administrative-policy@uwrf.edu.