

## **POLICY**

### **Recovery of Indirect Costs**

Topic: <b>Sponsored Awards Admin</b>	Department: <b>Grants</b>	Policy No: <b>5.120.02</b>	Effective Date: <b>12/26/14</b>	Page No: <b>1 of 2</b>
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**Purpose:** Facilities and Administrative Costs (IDC) recovery is a means by which Boyce Thompson Institute for Plant Research (BTI) obtains from funding agencies a portion of the expenses associated with supporting the research conducted by BTI's staff. The rate at which BTI may reclaim such expenditures from federal agencies results from formal negotiation and is fixed for the duration of the IDC rate agreement. This policy provides guidance pertaining to the appropriate application of BTI's IDC rates for recovery of IDC allocable to BTI projects in accordance with OMB Circular A-122, A-110 (prior to 12/26/14), and 2 C.F.R. 200 Uniform Administrative Requirements for Federal Awards (effective 12/26/14), as well as terms of the individual contract or grant.

- Policy:**
1. It is the policy of BTI that all proposals requesting support from any sponsor, either government or non-government, must include a request for full IDC recovery.
    - IDC recovery on grants and contracts may be limited through mandatory or voluntary cost sharing, government regulation, or the specific policies of the granting organization.
      - Some sponsors, particularly certain foundations, have specific written policies that preclude the use of BTI's IDC rates.
      - The rate allowed by the sponsor must be used in these cases.
    - Exceptions to this rule may be necessary in some instances, however, either a copy of the agency's guidelines specifying their policy on IDC, or a letter/email from the agency is required if less than full IDC rates are to be used.
      - Projects having an IDC rate that is less than BTI's negotiated rate represents involuntary cost share by BTI unless the agency has a prior determined fixed rate.
      - All requests for IDC rate modifications or waivers should be submitted to the Vice President of Finance and Operations for approval unless specific IDC rates or IDC rate limits are stated in the proposal guidelines.
  2. IDC are those which cannot readily be assigned to specific projects or other activities and reimburse BTI for laboratory and office space, utilities, and administrative services (e.g., purchasing, accounting, human resources, specific telecommunication systems, security, custodial services, buildings, and grounds).
    - They include all the essentials to support sponsored activities that cannot be broken down and directly charged to a specific grant or contract.
  3. BTI calculates its IDC rates from actual cost records through a detailed cost accounting procedure and negotiates an IDC rate agreement with the federal government (see 6.30.01, Determination of Indirect Rate Policy).

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4. BTI's IDC rate is calculated on a modified total direct costs (MTDC) base, which means total direct costs less:
  - Equipment;
  - Participant support costs;
  - Capital expenditures (buildings, alterations and renovations, rental costs);
  - Pass-through entity subawards.