



F&A Subsidy/Wavier Policy

Responsible Executive:

Vice President for Research

Responsible Office: OSRAA

Effective: July 1, 2023

Last Revised: July 1, 2023

1. Summary

- 1.1. This policy summarizes Oregon State University's (OSU's) F&A Subsidy and F&A Waiver policy for sponsored projects.
- 1.2. Facility and Administrative (F&A) costs are real expenses of the university, related to research and other sponsored activities. Sponsored projects need to pay their share of these costs. It is OSU's policy that the appropriate F&A rate shall be applied to each sponsored project. In rare instances, the Principal Investigator ("PI") may feel there are extenuating circumstances that warrant an exception to the recovery of full F&A costs.
- 1.3. The scope of this policy is University wide. PI's, unit leadership, and OSU personnel involved with proposal budget preparation for sponsored programs are affected by this policy.

2. General Requirements

- 2.1 OSU has a responsibility to comply with OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR §200) ("Uniform Guidance") as well as terms and conditions of the sponsor and University policy.
- 2.2 Uniform Guidance requires that institutions receiving sponsored awards have consistent determinations for how F&A costs are allocated to awards (2 CFR 200.412).
- 2.3 Uniform Guidance requires that the federal government does not subsidize the costs of other sponsored programs and is not charged more than other sponsors in similar situations. (2 CFR 200 Appendix III(C)(1)(a)(3)).

3. Definitions

- 3.1 **F&A Waiver-** Decision by OSU to collect less F&A than OSU is entitled to under its approved F&A rates
- 3.2 **F&A Subsidy-** A sponsored program may recover less F&A than OSU is entitled to by way of a subsidy from a college/department/unit account
- 3.2 **F&A Rate Agreement-** OSU's negotiated rate agreement with the federal government that sets F&A rates for sponsored projects
- 3.3 **F&A Memo-** Memo published by VPR and VPFA that implements the F&A Rate Agreement and adds F&A rates for State of Oregon projects and Industry sponsored projects
- 3.4 **F&A Exception-** Approved exceptions to the approved F&A rates that do not require a waiver form

4. Responsibilities

- 4.1. **Principal Investigators** are responsible for completing the F&A waiver or F&A subsidy request form and obtaining the required approvals prior to the proposal submission deadlines.
- 4.2. **Office of Sponsored Research and Award Administration (OSRAA)** is responsible for review of proposal budgets and ensuring compliance with the F&A rate agreement and F&A wavier policy.

5. Process

- 5.1. All OSU sponsored programs will use a F&A rate from one of the three categories.
- 5.2. **F&A Category 1- Approved F&A Rates**- F&A rates listed in the F&A Rate Memo will be used for all sponsored projects unless an F&A Exception (Category 2) or F&A Wavier (Category 3) is approved.
- 5.3. **F&A Category 2- F&A Exceptions**- F&A Exceptions will be accepted for all sponsored programs that meet the following requirements.
 1. **Sponsor F&A Limitation:** There are certain programs where a non-profit, federal (including statutory limitations), or state sponsor restricts F&A rates to less than OSU's negotiated rates. These exceptions will be accepted per the F&A Rate Implementation Memo. Sponsor F&A Limitations from for-profit companies are not accepted.
 2. **PI Transfer:** If a new faculty member is transferring awards from their previous institution, the previous institution's F&A rate will be honored if it is less than OSU's approved negotiated F&A rate. This F&A reduction will be used to the extent necessary for the direct costs available to the PI at their previous institution remain available to them after they come to OSU.
- 5.4. **F&A Category 3: F&A Subsidy and F&A Waiver**- In rare circumstances it is appropriate for the university to grant a reduction in the amount of the F&A charged to a grant. The purpose of this policy is to delineate who has the authority to grant such a F&A subsidy or F&A wavier when Category 1 (Negotiated F&A Rate) and Category 2 (F&A Exception) are not available.
 1. **F&A Subsidy:** A unit/department/college will subsidize the difference between the amount of F&A allowed and the amount of F&A collected.
The unit/department/college leadership or designee may approve this subsidy. The amount of the subsidy will be paid from a unit/department/college index.
 2. **F&A Wavier:** The Vice President for Research and Vice President for Finance and Administration, along with concurrence from the unit/department/college leadership, may waive the F&A the University is otherwise entitled to collect. This wavier does not result in a deduction to the unit's returned overhead allocation unless otherwise agreed.

Returned F&A Redistribution: When approving F&A Waivers, the VPR and VPFA may require changes in F&A returned to the requesting unit.

Modifications: After a proposal has been processed through the OSRAA, the VPR and VPFA has the sole authority to implement modifications to proposed and approved F&A rates or redistributions of returned overhead.

6. Related Information

- 6.1. Website for this policy: <https://research.oregonstate.edu/osraa/training-and-policies>
- 6.2. F&A Waiver Forms: <https://research.oregonstate.edu/osraa/forms>
- 6.3. F&A Rate Agreement and F&A Rate Memo:
<https://research.oregonstate.edu/osraa/facilities-administration-information-and-rates>

7. History

- 7.1. Original Issue Date: July 1, 2023
- 7.2. Previous Versions: N/A
- 7.3. Next Scheduled Review Date: June 30, 2026

8. Contacts

- 8.1. Policy Steward: Director Sponsored Programs, Award Contracting ([contact info](#))
- 8.2. Office for Sponsored Research and Award Administration (OSRAA):
OSRAA@oregonstate.edu