

**Guidelines for DHDD approval of reduced F&A Cost Rates on research proposals**

**A. Authority of DHDD**

1. Standard F&A Cost return (center or department) must be used first with DHDD approval
2. DHDD may approve F&A Cost reductions in excess of return under guidelines below
3. F&A Cost reductions in excess of return must be documented internally as cost sharing

**B. If a special formula or rate is required by sponsor**

1. Use CSM standard rate if it results in a lower total F&A Cost
2. Use guidelines on this page if sponsor rate/formula results in lower cost than CSM rate

**C. When total F&A Cost will be less than the standard CSM rate:**

1. Sponsor must be a domestic (federal, state or local) government or non-profit foundation
  - a. Lower rates will not be allowed for industry or non-U.S. sponsors
2. Reduced rate must be a standard, published requirement for all proposals in that program
3. DHDD or Center must forego F&A Cost Return to cover part of the rate reduction
4. Reductions in excess of F&A Return must be partially offset by inclusion of other costs
  - a. Academic-year charge-out for tenured faculty
  - b. Tuition for graduate research assistants
5. AY Faculty salaries must be included at same percentage as summer

**D. Exceptions - C.4. and C.5. may be waived if one of the following also is satisfied:**

1. The award would, in principle, meet the IRS requirements for a philanthropic gift, and:
  - a. The award must not require any deliverables other than reports
  - b. CSM must retain all intellectual property rights
  - c. Results must be public information, and there may be no restrictions on publication
  - d. There must be significant student involvement
2. The award would be primarily for graduate student support:
  - a. At least 75% of the total direct costs must be for GRA stipends and benefits
  - b. All GRAs must receive their full support from the award
3. The award would support work which:
  - a. Is directly related to CSM's mission (e.g. curriculum development, etc.)
  - b. CSM would support the work with its own resources in absence of the award
  - c. The award would pay the full direct cost, including academic-year faculty time
4. The award is a research-initiation grant for a new faculty member who:
  - a. Is in the first three years of their first tenure-track position
  - b. Is eligible for the research-initiation grant under the sponsor's terms
  - c. Has a faculty development plan that includes the research described in the proposal
  - d. Contributes startup support or obtains department support as a form of cost sharing

**E. Procedure:**

1. Center director or PI submits request to DHDD for reduced F&A Cost rate
2. DHDD makes decision and sends budget to ORA at least two weeks before due date
3. ORA staff reviews budget and consults with AVP for Research as needed