

SUBJECT: Indirect Costs	Effective Date: July 1, 2011	Policy Number: 07-1-005
	Supersedes: Policy: Date:	Page 1 Of 2
	Responsible Authority: Executive Director, Office of Sponsored Programs (OSP)	

I. Purpose and statement of operational policy underlying the procedure.

The Indirect Cost also called Overhead cost, and Facilities and Administration (F & A) cost is often provided by the funding agency to cover expenses that are necessary to run the grant but are not directly applicable or auditable, such as utility expanses, time and effort of various personnel of the college, and some unidentified expanses. The college has negotiated such rates with the Department of Health and Human Services (DHHS) as 31.5% based on requested amount of funds for salaries only and does not include fringe benefits in these calculations. These rates may change from time to time. Some “training” grants provide only 8% Indirect Cost based on the total budget excluding equipment and student support funds. There are some other kinds of grants that do not provide Indirect Cost funds.

The policy as stated here helps to ensure that:

1. The institution has received enough funds to cover expenses associated with the successful implementation of the grant.

II. Applicability/Scope

Applies to all faculty and staff members who wish to write or submit a proposal to secure external funding

III. Process for Implementing Procedure

Responsibility	Action	Timeline
Faculty/ Staff	Before start writing or during the process of developing budget for a grant the PI/PD must be aware of institutional rates of Indirect Cost rates. These rates may change from time to time and the institution under exceptional circumstances may approve different rate depending on the necessity, nature, and limited amount of funds.	During the process of budget development.
PI/PD	PI/PD must apply maximum allowable indirect cost rates as allowed through the RFP. In case of doubt or further clarity check with the Executive Director of OSP as soon as possible.	As soon as the PI/PD develops budget for the grant.
PI/PD	PI/PD must consult the Executive Director of Office of Sponsored Programs for accuracy of and applicability of Indirect Cost rates.	At the time of budget development.

IV. Related policies/References for more information

Please see policies and procedures schedule of Fiscal Office for more up-to-date information.

Authorizing Official: <u>M. I. [Signature]</u>	Authorization Date: <u>10/10/2011</u>
Title: <u>Executive Director, Office of Sponsored Programs</u>	

COLLEGES AND UNIVERSITIES RATE AGREEMENT

ORIGINAL

EIN #: 1.620475690

DATE: August 22, 2008

INSTITUTION:
 LeMoyne-Owen College
 807 Walker Ave.
 Memphis

FILING REF.: The preceding
 Agreement was dated
 December 4, 2006

TN 30126-

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: FACILITIES AND ADMINISTRATIVE COST RATES*

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

TYPE	EFFECTIVE PERIOD		RATE (%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
PRRD.	07/01/08	06/30/11	31.5	On-Campus	All Programs
PRED.	07/01/08	06/30/11	15.0	Off-Campus	All Programs
PROV.	07/01/11	UNTIL AMENDED	Use same rates and conditions as those cited for fiscal year ending June 30, 2011.		

*BASE:
 Direct salaries and wages excluding all fringe benefits.