

F&A Waiver for Non-Profit and Foundation Research FAQs

Q. What are Facilities and Administrative costs (F&A)?

A. Facilities and Administrative costs (F&A) are those incurred for common or joint university objectives that cannot be identified readily and specifically with a particular sponsored project, instructional activity, or any other institutional activity (as defined in the Uniform Guidance). These are the real costs that the institution incurs in support of extramural activities, but cannot be directly charged to a specific grant or contract. The costs result from shared services including libraries; physical plant operation and maintenance; utility costs; departmental and sponsored project administrative expenses, and depreciation or use allowance for buildings and equipment.

Q. Is F&A required?

A. NDSU Policy Section 813(5) requires the inclusion of F&A costs in every externally sponsored project, unless the Sponsoring Agency prohibits it. For this pilot initiative, F&A will not be required on proposals to non-profit organizations or foundations for requests at or below \$10,000. This waiver will not be available for private industry or other sponsors.

Q. Will this waiver affect flow-thru projects?

A. This program is for funding directly from the non-profit or foundation and is not necessarily available for flow-thru projects. Contact SPA for specific project information.

Q. How do I take advantage of this waiver?

A. When preparing the budget section of your proposal, simply leave the F&A portion blank. Sponsored Programs will no longer request a copy of the non-profit or foundation sponsor policy on F&A for proposals that are at or below the \$10,000 threshold.

Q. Does this cover existing projects?

A. This change is not retroactive. Currently pending proposals will not be modified to eliminate F&A from their budgets.

Q. What if my proposal is greater than \$10,000? May I split it into smaller proposals to take advantage of this waiver?

A. Proposals should not be stacked. For instance, you cannot break a single \$25,000 proposal into 3 smaller proposals to avoid charging F&A.

Q. Is there any instance where F&A may still be charged on non-profit proposals under \$10,000?

A. This is not a requirement for all proposals and if an eligible sponsor allows F&A, it may still be included on proposals. If funded, we will follow the institutional policy on F&A distributions.