



POLICY & PROCEDURE DOCUMENT

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SECTION: Research

TITLE: Policy on Distribution of Facilities and Administrative (F&A) Funds

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Authorized by: David D. Lee, Provost and VP for Academic Affairs

I. Definitions

Definition of F&A Costs:

F&A Costs are costs that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity.

Components of F&A Costs:

- Administration: This component includes Departmental Administration, General Administration, Sponsored Projects Administration, and Student Services.
- Facilities: This component includes Buildings Depreciation or Use Allowance, Equipment Depreciation or Use Allowance, Operation and Maintenance, and the Library.

II. Policy

1. It is recognized that F&A funds represent reimbursement for real costs incurred by the University.
2. It is the policy of WKU that F&A funds will be required to the full extent allowed by the granting institution, and that F&A funds shall not be waived in whole or in part.
3. Since F&A funds support research that is also supported by direct charges to grants, F&A distribution will follow the expenditure of direct costs.
4. Grants to funding sources that do not allow F&A funds should consider the extent to which infrastructure costs may be chargeable as direct costs.
5. The distribution of F&A funds will balance the reimbursement of expended funds to support research, and the stimulation and incensing of new research.

III. Procedure for Administration of F&A Funds

1. F&A funds will be held within the WKURF unless a grant specifies that WKU must be the fiscal entity.
2. F&A Funds will be held by WKURF will rest within interest-bearing account(s). All interest shall accrue to WKURF and shall not be distributed.
3. F&A Funds will be distributed to colleges as needed.
4. Colleges shall be responsible for tracking distribution of F&A funds within colleges.

IV. Procedure for the Distribution of F&A Funds

A. Top Slice

A top slice of 5% will be retained to pay for operating expenses of the Research Foundation. This includes salary, annual audit, tax preparation, and filing fees. For a small number of grants, a top slice must be expended before F&A funds are distributed within WKU, in order to pay necessary costs that directly support the grant funded research. Provost and Vice President for Academic Affairs shall be the sole arbiter of necessary costs. These include:

1. Rental paid for space that would not be incurred absent the grant.
2. In the case of grants for which the P.I. is entirely supported by "soft money", 20% of the total F&A funds will be contributed to a bridge-fund to support the salary of persons on soft-money funding during times between grants.
3. In the case of grants with multiple P.I.s, a bridge fund amount may be prorated according to those P.I.s supported on soft money. For example, with one tenured professor and one soft-moneyed person as P.I., 10% of the total F&A funds would be sequestered for the bridge fund.

B. General Distribution of F&A Funds

1. The fractional distribution of F&A funds refers to those funds remaining after payment of the "Top Slice" if applicable. Such funds constitute 100% for the purposes of the following distribution.
2. All distribution of F&A funds should follow the expenditure of Direct Costs. Thus, e.g., in the case of a collaborator in a different department and/or college to the P.I. drawing summer salary from a grant, the F&A associated with that salary will accrue to the collaborator's college, not to the college of the P.I.
3. The Office of Sponsored Programs will receive 20% to fund staffing and operations.
4. The Office of Research and Creative Activity will receive 40% for strategic research initiatives.
5. The WKU Provost and Vice President for Academic Affairs may waive collection of any minor fraction of this 40% in favor of allowing the President of the WKU Research Foundation to use these funds for strategic research initiatives. This amount will be negotiated by the Provost and Vice President for Academic Affairs (or designee) and the President of the Research Foundation.
6. The appropriate dean(s) will receive 40% of the F&A funds accruing from expenditures of direct funds in their college(s).
7. Deans may similarly choose to cede a minor fraction of their F&A funds, allowing the President of the WKU Research Foundation to use these funds for strategic research initiatives

8. Except as in #7, distribution of F&A funds within colleges shall be determined by the dean, who shall determine an appropriate fraction to be distributed to the head of the department(s) in which the F&A funds accrued.

C. Eligibility for Distribution of Bridge Funds Captured Within Top Slice

1. Soft-money P.I.s become eligible for bridge support after two years of self-support at 100% F.T.E. (12 month) or equivalent.
2. Self-support may be fractional and pro-rated. For example, a P.I. who was self-supported at 50%, while being supported 50% from another source becomes eligible for bridge support after 4 years.
3. Only those persons making active, *bona fide* attempts to garner new sources of funding may receive bridge fund support.
4. Eligible P.I.s may receive bridge fund salary support up to twice their own contributions to the fund, pending availability of monies in the fund.

V. Reason for Revision

7/19/11 - Allowing WKU Vice President for Research to allow utilization of F&A funds by WKURF.

11/1/15 – Revised to reflect re-organization of the Office of Research and Creative Activity and allow for Top Slice funding to pay for operating expenses of the Research Foundation.

VI. Related Policies

Policy 2.010V Extramural Contracts and Grants
Policy 2.040V Signatory Authority