
Inclusion of Indirect Costs on Proposals submitted to State of California agencies and departments

1 message

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Reply-To: "Contract and Grant Liaisons disc. group" <CGLINK-L@listserv.ucsb.edu>

To: CGLINK-L@listserv.ucsb.edu

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Dear Colleagues,

Please share the following information with principal investigators that you anticipate may submit proposals to State of California agencies and departments.

Background:

The University of California (UC), California State University System and State of California Department of General Services signed a memorandum of understanding implementing standard award agreement terms and conditions as well as standard proposal components. Commonly referred to as "AB20" or "Model Agreement", the standard terms took effect January 1, 2016.

At the same time, UC Office of the President (UCOP) established an indirect cost (IDC) rate for State of California funding (UC Rate). For the period through June 30, 2017, the on-campus UC Rate is 25%. On July 1, 2017 it increases to 30%; July 1, 2018 to 35%; and July 1, 2019 to 40%. The off-campus UC Rate for all periods is 25%. The UC Rate in effect for the first year of a multi-year project will be the IDC rate used for the entire project unless additional funds (not previously appropriated or budgeted) are awarded.

If the State is flowing down federal funds to UCSB as a Subrecipient, UCSB's federally negotiated IDC rate should be budgeted in accordance with the requirements of the Uniform Guidance (2 CFR 200.93 and 2 CFR 200.74).

Procedure:

If a state agency indicates that it will only pay an IDC rate lower than the applicable UC Rate, it must be determined if there is a statutory or regulatory basis for the reduced IDC. If there is, the Sponsored Projects Office (SPO) must submit this information to UCOP with the exception request. Please provide evidence of such to SPO for submission to UCOP with the exception request.

If SPO is not provided evidence of a statutory or regulatory basis for the restriction, SPO will reach out to the sponsor to determine if such exists. If it is determined that the restriction is not based on statute or regulation, SPO (and/or UCOP) are required to negotiate with the sponsor to obtain the UC Rate. If negotiations are successful, the proposal can move forward with the UC Rate.

If negotiations are not successful, the following must occur in order for UCOP to consider an exception.

1. The principle investigator must send a letter to SPO, addressed to the Vice Chancellor for Research (VCR), explaining why it is in the best interest of the campus to forgo the IDC recovery and proceed with the project at the lower IDC rate.
2. SPO must present the letter along with information regarding the negotiation and project to the VCR.
3. If, and only if, the VCR concurs with the exception request, SPO will submit the exception request to UCOP with supporting documentation.
4. Approval of the exception must be made by the Executive Vice President – Chief Financial Officer at UCOP. If approved, the proposal can move forward and be submitted. Without the steps above occurring and an approved exception received from UCOP, the proposal cannot be submitted to the sponsor.

The process described above is lengthy and potentially time consuming. As such, SPO requests that any proposals to State of California departments or agencies with less than the UC Rate be submitted to SPO a minimum of 10 business days before the deadline. Additionally, we suggest that departments and PIs begin the process as early as when they are considering submission to, or entering into preliminary funding discussions with, a State of California sponsor. Additional guidance for proposals submitted to State of California agencies and departments is located on the Sponsored Projects website. If you have additional questions, please contact your Sponsored Projects team.

Submit early and often,

Cora

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