

**Academic Supported Projects  
Policy for Allocating Facilities and Administrative Costs  
Seattle Pacific University**

**Philosophy**

Seattle Pacific University seeks to encourage and support academic grant writing that is related to the mission and goals of the University and to ensure that facility, administrative and other support costs associated with grants are adequately funded. Grant writing is a scholarly endeavor that engages the culture through interactions with funding agencies and reviewers. The types of external funding we seek enhance student learning directly, through guided student inquiry, and indirectly through the professional development of faculty.

**Direct and Indirect Costs of a Supported Project**

Direct costs are clearly defined in the supported project budget. They include research expenses such as personnel, travel, participant incentives, equipment and materials. In calculating direct costs, the cost recovery for faculty load release should be based on faculty salary and not on the costs of securing replacement adjunct instructors.

Indirect costs associated with the facilities and administration (F & A costs) of a supported project are costs 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. They include costs for services, administration and facilities that support, directly and indirectly, the supported project and are ongoing costs and activities of the University. These costs are incurred by the central administration of the University as well as the specific school/college and department that receives the grant. Costs associated with facilities, equipment, depreciation and administrative costs are permitted in most grants, and granting agencies usually dictate the percentage of the grant budget that is allowable for these indirect costs. SPU expects that all grant proposals will include the maximum allowable F & A cost recovery.

**Allocation of Funds Received for F & A costs**

To provide institutional support to faculty grantees, SPU's policy is to allocate F & A cost recovery as follows.

- 10% of the F&A cost recovery to University Advancement in the case of institutional grants or to the Center for Scholarship and Faculty Development in the case of academic supported projects to offset costs related to supporting grant submission and administration for the specific grant and all other supported projects;
- 45% of the F&A cost recovery to the non- academic budget; and
- 45% of the F&A cost recovery to academic budgets.

**The F & A costs allocated to the non-academic budget will be distributed as follows:**

1. To be credited to the general University budget and used as approved by the Provost upon recommendation from the Office of Business and Finance.

### **The F & A costs allocated to academic budgets costs will be distributed as follows:**

To fund facilities and administrative costs in the academic area that cannot be easily allocated to a single grant. These include the administrative costs associated with the management of active SPU academic grants or the facilities' costs associated with carrying out the grant which are so embedded into the general workings of the university (phone, lighting, technology, office space) that they cannot be allocated to a single grant.

1. 45% (i.e., 45% of the 45% of F&A cost recovery allocated to academic budgets) to the department receiving the grant to be used for Permissible Purposes. As used herein, Permissible Purposes include (a) to offset costs, not covered by the grant, incurred in grant preparation and post grant administration such as training, tracking expenses and report preparation; (b) to offset costs incurred in supporting further grant writing; (c) to provide matching funds to support future grant requests; and (d) to fund projects to encourage research and related scholarship.
2. 25% (i.e., 25% of the 45% of F&A cost recovery allocated to academic budgets) to the School, College or Division to offset costs incurred in the preparation and administration of the grant such as budget calculations and report preparation or other Permissible Purposes.
3. 25% (i.e., 25% of the 45% of F&A cost recovery allocated to academic budgets) to the Office of the Provost to offset costs it incurs in creating and supporting an office of supported programs that serves the academic community as a whole and for other Permissible Purposes.
4. 5% (i.e., 5% of the 45% of F&A cost recovery allocated to academic budgets) to the library to offset the indirect costs it incurs in supporting to academic grants.

### **Other General Provisions:**

1. The Provost and Vice President for Business and Finance must approve an allocation of F & A costs that varies from the above policy including a waiver for maximum F & A cost recovery as part of a grant proposal.
2. All budget allocations related to F & A costs will be treated as temporary budget until the level of F & A costs reaches a consistent annual amount which can be relied upon to consider for addition to the permanent revenue sources of the University.
3. Unspent amounts of F & A costs in designated accounts at fiscal year-end will be carried forward to the new fiscal year, but only to the extent Academic Affairs operating budgets as a whole are not in deficit. The same principle applies to F&A costs allocated to central University budgets.

4. There shall be an annual review with the Provost of the revenues and expenses related to academic grant writing.

Policy Approved by the President and Senior Leadership Team: November 13, 2014

*Recommended by:*

*Vice President, Craig Kispert*

*Provost, Jeff Van Duzer*