

INDIRECT COST (F&A) ALLOCATION POLICY

Seattle Pacific University

Indirect costs (IDC), also called Facilities and Administrative (F&A) costs, are provided by external granting agencies to defer costs associated with the institutional support of grant activities. They are distinct from direct costs provided by the agency, such as salaries, travel, equipment, and supplies that are designated to support the activities proposed in a grant. IDC funds are used at the discretion of the institution to provide the infrastructure and environment required to support general grant operations. This includes building operation and maintenance, administrative support, grant and contract management, training, subscriptions, and activities that promote scholarship and future grant applications. These costs may not be included in any direct cost request to a granting agency¹.

Indirect cost rate. The indirect cost rate charged to federal agencies including the National Science Foundation, and the National Institutes of Health is negotiated with Department of Health and Human services. The current Federal rate agreement for Seattle Pacific University (SPU) is available on the Office of Sponsored Programs (OSP) website². Private and corporate foundations may use the negotiated Federal IDC rate or set their own rates. All grant applications must request the maximum allowable rate provided by the agency. If no rate is provided, the higher of the current federal negotiated rate or 20% of direct costs will be used. Grant applications to agencies that do not allow indirect costs must be approved by OSP.

Indirect cost allocation. All external grant applications at SPU are reviewed, approved, and managed by OSP. Awarded grants not reviewed and approved by OSP may be returned to the granting agency if warranted. Indirect costs acquired from external grants awarded to SPU will be managed by OSP as defined in this policy. This policy does not cover gifts, service contracts, or other types of donated funds.

IDC funds will be allocated as follows based on availability:

1. Administrative support. IDC funds will be used to support the operations of OSP. This includes salaries, subscriptions, support for the Institutional Review Board (IRB), support for the Institutional Animal Use and Care Committee (IACUC), and federal and private agency compliance and engagement.
2. Grant support. IDC funds will be used to support and expand the acquisition and support of external grants across campus. These funds may be requested by university and academic leadership including deans and chairs. Applications for support will be managed and approved by the Office of Sponsored Programs with oversight provided by the Vice President of Business and Finance and the Chief Academic Officer.
3. Institutional support. IDC funds will be used to offset general institutional needs. IDC funds may be recovered each fiscal year at the discretion of the Vice President of Business and Finance and the Chief Academic Officer.

¹ See [NIH grants policy](#) statement.

² See policies on [OSP website](#)