

NON-FACULTY RESEARCHERS AND INDIRECT RATES ON SPONSORED PROGRAMS

- Moss Landing Marine Labs (MLML) and Campus Guidance -

Effective November 1, 2022

BACKGROUND

In addition to tenured/tenure-track (T/TT) faculty, San José State University Research Foundation (SJSURF) processes grants, contracts and self-support accounts for projects led by Principal Investigators (PIs) who may be classified as:

- Research Faculty
- Affiliated Researchers
- Emeritus Faculty
- Research Affiliates
- Staff/MPP

Individuals from these groups obtain and maintain their PI status through the SJSU Office of Research. That designation is a privilege extended to non-T/TT faculty members for a number of reasons that benefit the institution's research, scholarship, and creative activity (RSCA) enterprise including student research engagement as well as collaboration with other institutions and experienced researchers.

At Moss Landing Marine Labs (MLML) specifically, there is a large contingent of non-T/TT faculty researchers who act as PIs for access to SJSURF grant submission and award management resources as well as access to the MLML facilities, marine operations fleet, dive resources, sea water, vehicles, and specialized equipment. Their association with MLML is based on its geographic location, unique facilities, resources and the common research and educational goals of a marine science research center. While this model is currently unique to MLML among SJSU facilities, there is no reason the same model could not be used at any other College or department at SJSU.

GOAL

The Division of Research and Innovation wants to provide equitable access to campus research facilities and equipment while ensuring the benefit to the institution is commensurate with the cost of the facilities and services provided. Additionally, the SJSURF is tasked with ensuring the long-term financial sustainability of MLML. Indirect recovery rates on research grants are one of the main tools to ensure adequate compensation of MLML's research operations and proper maintenance of MLML facilities, and to increase its financial efficiency.

FACILITIES AND ADMINISTRATIVE CHARGES

Facilities and administrative (F&A) costs is the federal government term for what is also known as “indirect costs.” F&A is comprised of facilities (F) and administrative (A) costs incurred by SJSU and SJSURF in the process of undertaking the work and administration of research activities and service contracts. The costs result from shared services, such as research-specific physical plant operations, building maintenance, and utility costs; departmental, unit/college, and sponsored projects’ administrative expenses; adhering to federal compliance requirements; depreciation of buildings and equipment; and libraries.

These are real and significant costs. SJSU’s budget from the state is largely based on reimbursement for the number of students we teach, so many of the costs of supporting research must be paid by these F&A funds. F&A funds are a mechanism set up by funding agencies to partially reimburse institutions like SJSU and SJSURF for these types of research costs, so this is entirely appropriate. As grant expenses occur, SJSURF covers those costs and then submits requests for reimbursement to the sponsor for the sponsor to pay the direct costs and the F&A costs at the set institutional [indirect rates](#) in line with county, state and federal guidelines.

PRACTICE

1) F&A/Indirect Rate Determination

- a) As a rule, researchers must always charge the full, federally-negotiated, on-campus indirect rate to any externally funded project, program and service contract.
- b) The guidelines related to off-campus rate determination factors can be found [here](#). Given MLML’s unique geographical location, all projects there by virtue of their association with MLML are considered “on-campus.”
- c) SJSU will no longer use a budget threshold amount to determine what projects carry full indirect rates versus which can be considered service contracts and charged a 7% administration fee.
- d) Exceptions to the rule will apply only in cases when the sponsor explicitly and formally limits the indirect amount or the project is clearly taking place off campus. Such cases will be assessed through the normal IDC rate exception approval process and determination on approval of a lower rate will be made based on benefit to the institution including:
 - Student involvement
 - Interdisciplinary value
 - Other factors as decided by the Office of Research

2) Sponsored Program vs. Self-Support Program

- a) Characteristics of a sponsored program (IDC rate determination) include but are not limited to:
 - Clearly defined scope of work
 - There is a research or education purpose; results-driven
 - Intellectual property may be involved
 - May be able/required to publish
 - A PI/researcher is identified to manage the scope of work
 - A defined period of performance (start and end dates)
 - Detailed budget with measurable effort.

- Research Services Agreement is the mechanism for this type of work
- b) Characteristics of self-support programs (administration fee) include but are not limited to:
- Purely service in nature
 - No identifiable lead; staff are interchangeable
 - Set rates publicly available and applied to all external parties equitably
 - No data or research/education results
 - No intellectual property identified
 - No publication expectation
 - A Procurement Contract is the mechanism for this type of work
- c) Categorization will be made by the Office of Sponsored Programs (OSP). Exceptions may occur at the sole discretion of OSP.