1.0 BACKGROUND AND PURPOSE

This policy uses the term “IDC”, or indirect cost, to refer to “F&A Cost”, or the facilities and administration costs that are negotiated by our cognizant agency, Office of Naval Research (ONR). The IDC portion of the research budget is the means to recover the indirect costs that are incurred by the university in order to operate the research mission: research administration (accounting, management, etc.), research facilities, and other infrastructure and operational costs.

In 2014 the ONR IDC rate increased from 51.49% to 59.66%. Mines cannot charge the full rate on federal projects and, therefore, we must use the government cap which increased from 45% to 50%. By Colorado Law we must charge industry the full rate, 59.66%. This policy defines the rate to be charged to each class of sponsor and assigns responsibility for making decisions about exceptions.

2.0 POLICY

The ONR IDC rates in effect when the proposal was submitted must be used on research projects at CSM as follows (using the FY15 IDC rates):

• The government-capped rate of 50% must be used on all federal-government projects except as outlined below.
• The VPRTT may approve the use of the 50% government rate for other domestic governments (local, state) if the research is likely to provide significant benefits to the university and/or public welfare and safety.
• The full ONR IDC rate of 59.66% must be used on all non-government projects except as outlined below.
• The VPRTT may approve use of a reduced IDC rate if the reduced rate applies to all proposals submitted to that agency or program, the benefits are in the best interest of Mines, the rationale is documented in the proposal file and the sponsor is a government agency, philanthropic foundation or other university
• Requests for reduced IDC rates for any other non-government or foreign sponsor must be approved by the VPRTT, VPFO and Provost
• Mines does not voluntarily reduce the IDC rate on proposals except that the VPRTT may approve a voluntary reduction on proposals to government agencies and non-profit organizations for curriculum development and instructional equipment or materials that primarily will benefit Mines students, or for infrastructure support which otherwise would be charged to the instructional budget.