Policy for Use of Facilities and Administrative (F&A) Funds Returned to Departments, Centers, Institutes, Colleges, and Investigators

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Facilities and administrative (F&A) costs, formerly called indirect costs, are those actual and quantifiable costs of a project not specifically attributable to a project’s scope of work but associated with its activities nevertheless. Examples include utilities, custodial services, security, payroll, purchasing, and departmental administration. F&A costs are expressed as a percentage of total direct costs minus exclusions; are agreed upon through formal negotiations on regularly scheduled intervals with the U.S. Department of Health and Human Services.

WMU may reinvest a portion of the recovered Facilities and Administrative (F&A) funds directly with the Department/College, Center, Institute, and with the individual investigators with the expectation that it will stimulate additional research and external funding. The purpose of this policy is to better define the uses for these reinvested funds.

**Expected Uses For F&A:**
F&A return should be used to support current externally funded research or research that is likely to lead to external funding. Examples include:

- Purchase of research supplies.
- Purchase or repair of research equipment and computers.
- Repair, renovation or construction of research space and facilities owned by Western Michigan University.
- Research related travel for faculty or student researchers to professional meetings or to funding agencies.
- Support for undergraduate or graduate research assistants or staff engaged in research activities.
- Support for activities related to obtaining additional funding such as cost share or grant preparation activities.
- Membership in Research Societies, the purchase of research-related publications (books, subscriptions to research journals) and publication costs.
- Costs of developing and commercializing intellectual property that is owned or licensed by Western Michigan University.

**F&A Return Cannot Be Used For:**
F&A return funds cannot be used for the following items:

- Entertainment including holiday parties.
- Purchase of alcohol.
- Travel unrelated to research.
- Donations to charity or organizations.
- Teaching supplies or equipment unless it is part of a research project.
› Academic year salaries for the Principal Investigator except by prior approval of the Vice President for Research.

› Any payment to companies or entities in which the Principal Investigator, Co-Investigator(s), faculty member(s), staff member(s) or a member of their immediate families (spouse and children), has a controlling interest without pre-approval by the Vice President for Business and Finance.

The return of F&A is a university investment not an entitlement. The expectation is that administrators and faculty will use these funds to enhance the research efforts of the university.

**Other Notes:**

A. If there is a disagreement over whether a specific expense can be paid using the F&A Returns to the Investigator, Department, Center, Institute, College or any other administrative unit within the University, the Vice President for Business and Finance has authority to make the final decision regarding approval of the expenditure.

B. When a faculty member who has an F&A return fund leaves the university, funds remaining in F&A return cost centers are to be transferred to the department for the uses described above.

C. Items purchased with F&A return are property of the university.