

Guidelines for submission of proposals for the Under Recovery Program

The indirect cost rate (IDC) determination for research conducted at USU is based on the assumption that all applicable research expenses will be billed at the negotiated billing rates. These rates are based on the projected HJF General and Administrative (G&A) and University support costs. The USU/HJF “Under-recovery Program” (URP) was established to support investigators applying for grants that do not reimburse full IDC. The use of under-recovery funding is managed jointly by USU and HJF to ensure that under-recovery losses do not exceed a ceiling of \$500K in a given year, contributed by HJF (\$200,000) and USU (\$300,000). Because of a deficit in the URP, it is necessary to promulgate new policies to keep URP costs under control.

URP Request Guidelines

1. Research supported by federal entities, including DoD sponsors, the NIH, and federal agencies are generally not eligible for support by the URP. Exceptions would include NIH K and F awards that provide less IDC than research grants.
2. A faculty member's intent to submit a grant application to a sponsor with a capped IDC rate (less than the current applicable IDC) must be communicated to the USU Office of Research **at least** one month in advance of the submission due date. The notice of intent to apply should be accompanied by a brief (one page or less) summary of the specific aims or abstract of the proposal and draft budget that includes:
 - a. The total amount of award
 - b. Percent effort by all personnel on the proposal
 - c. Estimate of other costs
 - d. USU form 3209 if the proposal will be conducted “offsite”
 - e. Indirect cost rate paid by the sponsor
 - f. Duration of proposed project
 - g. Amount proposed to be "covered" by the URP on a per year basis (difference between Sponsor IDC and Full on-site IDC)
3. Approval for URP funds will be prioritized according to the following criteria:
 - a. The URP will not be used for intramural USU or DoD awards.
 - b. Only billeted faculty are eligible.

- c. Investigators who have not received URP funding during the current fiscal year will have higher priority over those with one or more grants funded or applications pending with URP funds.
 - d. Investigators in earlier stages of their careers will have priority over senior investigators.
 - e. Nonprofit sponsors will have priority over commercial or for-profit sponsors. The URP should not be used to support research paid by for-profit entities except under special circumstances, including a full justification and explanation of why the sponsor cannot pay the full IDC rate, and the potential financial benefits to USU of conducting the research.
 - f. A committee of SMEs composed of selected Department chairs and/or other faculty, the VPR, and the Director of OSP will assign priority to applications for URP on a quarterly basis. This committee will convene when and if, in any particular quarter it appears that there are more pending applications for URP funding than can be met by the funds at hand. Review guidelines to be used by this committee will be developed and published as soon as feasible.
 - g. This policy does NOT apply to graduate student or postdoctoral fellow training grants, which are eligible for URP without review.
4. In order to prevent first-come, first-served use of funds, the \$500,000 yearly URP budget will be divided into 4 quarterly allotments of \$125,000. There will be some flexibility in the stop point at the end of each quarter, but care will be taken to avoid over spending during the first part of the year.
 5. The VPR, Finance Office and HJF will consult with the PI to determine what costs, if any, should be listed as direct costs, to offset indirect costs and therefore reduce the total amount required from the URP. A major source of URP cost savings will be the inclusion of federal salaries as direct costs. In some cases, personnel who are normally included as G&A could be listed as direct charges as well.

The URP deficit is a crisis that must be resolved. If the university is unable to pursue grant support from foundations and other non-governmental sponsors, this would be a devastating loss for junior and other investigators, who need these alternate sources of funding to the more traditional NIH grants. Cooperation of all faculty are necessary to

successfully overcome the challenges of reduced funding that we at USUHS, (and at all universities) are facing.

Please send **all** UnderRecovery Requests to:

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