

# PROCEDURAL STATEMENT

**Procedural Statement Title:** Indirect Costs (IDC) on the Transfer of Existing Subagreements

**Functional Area:** Research Administration

**Related Policy:** Indirect Cost Recovery Policy

**Effective Date:** March 9, 2017

**Approved by:** Gary Henry, Assistant Vice Chancellor for Research and Director, Office of Contracts and Grants

**Responsible Office:** Office of Contracts and Grants

**Procedural Statement Contact:** Joan Eaton, Assistant Director, Proposal Development

**Last Reviewed/Updated:** June 9, 2023

## I. PROCEDURAL STATEMENT

**Total Direct Costs (TDC):** IDC base rate classification in which all cost categories are charged IDC, including tuition remission, fixed assets, student aid, and all subagreement costs.

### III. PROCEDURES

#### A. Indirect Cost Base and Subagreement Costs

Section 2 CFR 200.1 Modified Total Direct Cost (MTDC) of the Uniform Guidance determines that the first \$25,000 of a subaward is subject to indirect costs (IDC) when the MTDC base type is applicable to a project.

If the IDC rate on CU Boulder's budget is based on Total Direct Costs (TDC), IDC will be charged on the full amount of the sub; the \$25,000 cap on subagreement costs does not apply.

#### B. Federal Awards – Subagreement Moves to New Institution

When an existing subagreement moves to a new institution, a new subaward is issued by CU Boulder to the recipient. Because these are considered new subagreements, IDC is charged on each subagreement up to the first \$25,000 for IDC calculations based on MTDC and on the full amount of the subagreement for IDC calculations based on TDC.

#### C. Federal Awards – Supplemental Proposal and Award

In cases where a supplemental proposal provides funding for additional scope of work and is related to the parent proposal as a child proposal in infoEd, the original subagreement is modified and no additional IDC is assessed for the subrecipient.

#### D. Non-Federal Awards

Section 2 CFR 200.403(c) of the Uniform Guidance requires that CU Boulder apply our policies and procedures uniformly to both federally-funded and other activities of the university. Therefore, CU Boulder's Cost Principles Policy and related guidelines, including this procedural statement, are also applicable to non-Federal awards.

### IV. Frequently Asked Questions

**Question:** Under what circumstances would an existing subagreement be closed and a new subagreement be issued to a new institution?

**Answer:** Two examples of when a subagreement might be reissued to a new institution include:

1. If the sub PI transfers to a new institution and will continue the work at the new institution; or
2. The inability of an existing sub to complete the scope of work and subagreement moves to an institution that is able to complete the scope of work.

**Question:** What is a supplemental proposal?

**Answer:** A supplemental proposal is a request to the sponsor for additional funds for an ongoing project during the previously approved performance period. Supplemental proposals may result from increased costs, modifications in design, or a desire to add closely related components to the ongoing project. In infoEd, supplemental proposals are related to the original proposal as a child proposal.

**Question:** We already charged IDC on the subaward to University A. University A cannot complete the scope of work, so we're now working with University B as the subawardee. Why is IDC charged again on a subaward to University B for the same scope of work?

**Answer:** The subaward to University B is a new subaward, even though it is continuing the work started at

**Question:** Our Co-PI is moving to a new institution. If we want to issue a subaward to the Co-PI's new institution do we need to charge IDC on the subagreement?

**Answer:** If the Co-PI is going to stay on the project and has a portion of the statement of work that they are responsible for, then it would require permission from the sponsor to add a subagreement. Once approval is given, a new subagreement would be issued to the Co-PI's new institution. We would charge IDC as this is a new sub.

## V. RESOURCES

[OCG Indirect Costs: Facilities and Administrative \(F&A\) Costs – General Information Webpage with Rate Decision Guide and information on Addendums, Waivers, and ICR Splits](#)

## VI. HISTORY

<b>Changes</b>	<b>Date</b>	<b>Approved By</b>
Adopted	03/09/2017	Denitta Ward
Revised to new format, updates to 2 CFR 200 references, added procedural statement contact	11/23/2020	No substantial changes
Editing and rewording, addition of definitions for "Subagreement" and "Sub," replacing "subaward" with "subagreement" throughout, clarification of when to apply IDC to a sub on a supplemental proposal or award, addition of sections to "Procedures" and Resources	6/9/2023	Gary Henry