

May 17, 2016

Dear Grant Management Personnel:

I would like to take this opportunity to clarify certain OSR proposal/award processing requirements that are currently in effect, some of which Caltech has implemented within the last several months:

**Application of Overhead:**

1) Proposals submitted for U.S. Government funding (including federal funds passed-down from other entities to Caltech):

a) Caltech's federally negotiated overhead rates will apply to projects funded by U.S. Government agencies ("federal funding"), including federal funding that comes to Caltech from non-federal entities. Please see the latest F&A Rate for Caltech's current rates and how those rates apply.

[http://researchadministration.caltech.edu/documents/639-2016\\_campus\\_announcement.pdf](http://researchadministration.caltech.edu/documents/639-2016_campus_announcement.pdf)

b) The Provost's Office must approve all proposals for federal funding that will carry Caltech's negotiated, off-campus overhead rate before OSR may submit the proposal to the sponsor; this includes projects that have been previously submitted/awarded with the off-campus rate. In order for the Provost's Office to approve a project with the off-campus rate, the proposal should clearly indicate the basis on which the off-campus determination has been made. If a proposal includes work that will occur both on-campus and on-off campus, then both the on- and off-campus rates should be applied in the budget, as appropriate, to the costs associated with the respective location of work. This is a change from previous practice which was to treat projects either all on-campus or all off-campus depending on where the majority of work took place. The provost's (or his designee's) initials in Section D of the DAF will indicate approval of the off-campus rate specified in that section.

c) Requests for reductions to Caltech's applicable overhead rates should be approved first by the cognizant division chair before submission to the Provost's Office.

2) Proposals submitted for non-U.S. Government funding (including corporate, non-profit, state and local government, and foreign)

a) Caltech's federally negotiated, on-campus rate applies by default to all proposals for non-federal funding, regardless of the location of the project.

b) Any proposal for non-federal funding that includes an overhead rate of less than Caltech's federally negotiated, on-campus rate must be accompanied by a MORA form approved by the Provost's Office before OSR can submit the proposal. If the sponsor has a written policy limiting Caltech's assessment of overhead, a copy of that policy must be attached to the MORA form when submitted to the Provost's Office. Generally, proposals to corporate sponsors will be subject to Caltech's federally negotiated, on-campus rate.

c) Caltech requires a minimum overhead recovery of 15% of total costs (TC) for all proposals for non-federal funding. If a proposal includes less than 15% TC recovery of overhead, the PI will need to indicate on the MORA form how he/she will cover the difference between the actual overhead recovery budgeted in the proposal and Caltech's 15% TC minimum. A MORA form approved by the Provost's Office will be required for all non-federal proposals that include overhead recovery of less than 15% TC in order for OSR to submit the proposal.

d) Requests for reductions to Caltech's applicable overhead rates should be approved first by the cognizant division chair before submission to the Provost's Office.

3) Technical Service and Facilities Use Agreements (including outgoing Material Transfers)

Caltech's federally negotiated, on-campus rate applies by default to all Technical Service and Facilities Use Agreements. There is one standing exception, which consists of Caltech providing editorial services; in this case the minimum required overhead is 15% TC.

Exceptions require approval by the cognizant division chair and the Provost's Office.

### **Minimum Overhead Requirement Approval (MORA) form**

For proposals requesting non-federal funds, this form is required anytime a sponsor will pay less than Caltech's full, federally negotiated, on-campus overhead rate.

[http://forms.caltech.edu/ResearchAdministration/minimum\\_overhead\\_form.pdf](http://forms.caltech.edu/ResearchAdministration/minimum_overhead_form.pdf)

### **Proposal/Award transactions when the Division Chair is a PI, co-PI or Advisor:**

The Vice Provost for Research must approval all proposals on which a Division Chair is acting as PI, co-PI or Advisor (e.g., for fellowship applications). Since the VPR will be signing as the Division Chair, OSR cannot submit the proposal without approval of the proposal by the VPR.

### **Proposals with JPL involvement**

Caltech proposals that include funds for JPL should not include more than 50% of the total project budget spent at or transferred to JPL.

Sincerely,

David Mayo  
Director, Sponsored Research