

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

Changes	Date	Approved By
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