

TO: WSU Faculty Senate

FROM: Christopher J. Keane, Vice President for Research 

DATE: May 5, 2021

SUBJECT: Revised Executive Policy #2 (Policy for Allocating Facilities and Administrative Cost Recovery Revenue)

I am writing to announce that the finalized version of Executive Policy 2, the Policy for Allocating Facilities and Administrative (F&A) Cost Recovery Revenue, has been approved and [posted](#). EP2 was previously discussed with the Faculty Senate in Fall 2020.

When WSU receives grants and contracts, the sponsored awards generally include funds for direct costs (e.g., salary support, supplies, specialized equipment) as well as F&A or indirect costs (e.g., administrative support, library costs, utilities, janitorial support). F&A is an important source of cost recovery funds for the University. WSU's major source of F&A funding derives from federal government research projects, where allowable costs are subject to the Uniform Guidance for instruction, organized research, and other sponsored activities. The funds are used to support the University's research costs associated with administration and use of physical facilities and to support essential activities and resources that sustain the WSU research enterprise.

As we continue with our Drive to 25 and ONEWSU initiatives, it is important we review all aspects of our sponsored research policies. From your suggestions and input from the WSU Research Council and other groups, we have revised EP#2 to ensure that all funds will be allocated transparently, strategically, and in support of the WSU Strategic Plan. This new policy will help ensure all F&A funds are managed with full accountability. Additionally, system administration has committed to an ongoing F&A cost analysis and will make changes to F&A allocations as needed.

Thank you again for your feedback and support. We look forward to continue working with you as the new policy is implemented.