



Purpose: A business process for the recovery of line items budgeted directly on projects for costs in lieu of overhead is necessary in order to ensure a consistent practice that allows for the appropriate recovery of overhead for the School.

Principle: In accordance with the policy for the [Application of Indirect Costs to Sponsored Projects](#), the School is committed to the recovery of facilities and administrative costs incurred to support the performance of non-federally sponsored activities. The [sponsor’s maximum published indirect cost rate](#) must be applied and to the extent that the sponsor’s IDC rate is less than the federal rate, costs normally funded as indirect costs (space, IT, administrative salaries), should be included as direct costs whenever possible.

Helpful information:

- 1) Exceptions: The tool still needs to be completed for non-federally sponsored fellowships and for proposals that receive the full federal overhead rate, however, only basic information is required for data collection purposes.
- 2) 1 pager vs. longer tool: Only the 1 pager tool or short form is needed for all proposals. Departments can still choose to use the full tool if they desire.
- 3) Tool: The tool is located on the [OFS internal website](#) under the Systems tab and then IDC Budget Tool. There is a job aid located on a tab within the tool.

Standards of Service: The one page IDC budget tool must be used for all non-federally sponsored proposals. If proposals are fellowships or are receiving the full federal overhead rate, only basic information is needed at the beginning of the tool and this is for data collection purposes. Please note that the late proposal notification policy also applies to the tool.

Process Steps for Recovery of In-Lieu of line items

Step	Role	Task/Activity
1	Dept.	Uses one page IDC budget tool and budgets line items in lieu of overhead including lab space, office space and IT. Departments are also encouraged to direct charge administrative salaries when appropriate. Note that these costs still need to be entered into the tool even if the sponsor does not allow them. They should be included and then you change it to “zero billed to grant”.
2	Dept.	Presses “Submit to SRA” button for SRA review. A pop up will appear and then you type “yes” to proceed. An automated email is sent to: <i>ADF, SRA, CRAO, CFO, Senior Director of Finance, Associate Director of Research Operations</i>
3	SRA	Reviews tool to ensure completeness and presses “SRA review complete” for addition to database. An automated email is sent to: <i>AD of Research Operations</i>
4	AD, Research Operations	Receives automatic e-mail to update database. Saves tool in shared folder, extracts data and uploads to database.
5	Dept.	When action memo is received indicating that a non-federal project has been awarded, enters budget into Wasabi including costs in lieu of object codes (8402 and 8404). Completes Job Data Change in Wasabi to charge any administrative salaries budgeted in lieu to non-federal award.
6	Dept.	Completes recovery journal for space and IT on a quarterly basis. An example is included in a tab in the tool. The account to credit is 275.23210.000001.556301.0000.00000. The post award metrics will track these awards as a helpful reminder for the department.



Here are recommendations on what should be budgeted directly:

Item	Recommendation
Administrative Salaries	Departments should prioritize the inclusion of effort for a grant manager and then other related staff who will support the project, such as Accounts Payable support, when appropriate.
Office Space (8402)	Budget \$78 X approximate square feet of office X % of effort on project (annually) with a 3% escalation in out years. Justification: Office space is charged annually for each person budgeted on the project based on their percentage effort on the project and their office size. The rate charged per square foot is \$78 which is the average cost for office space. Small is < 500 sq. ft. Medium is 500-1000 sq. ft. Large is > 1000 sq. ft.
Lab Space (wet & dry) (8402)	Budget \$149 (for wet labs) or \$78 (for dry labs) X approximate square feet of lab X % effort on project (annually) with a 3% escalation in out years. Justification: Lab space is charged annually based on the size of the lab and the expected percentage of usage for the project. The rate is \$78 per square foot for a dry lab and \$149 for a wet lab which represents the average cost of lab space. Small is < 500 sq. ft. Medium is 500-1000 sq. ft. Large is > 1000 sq. ft.
Information Technology (8404)	Budget \$1,075 annually as of FY21 per FTE with a 3% escalation in out years. Justification: The Harvard T. H. Chan School of Public Health Information Technology Department provides server support, desktop software, networking and helpdesk support for all researchers and staff. The cost is based on an annual FTE rate of \$1,075/year.