

Business Process: Non-Federal IDC Budget Tool, Recovery of In-Lieu

Reason for the Business Process

In accordance with the [Policy for the Application of Indirect Costs to Sponsored Awards](#), 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.

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.

Business Process Summary

The [one-page IDC budget tool](#) must be used for all non-federally sponsored proposals, regardless of dollar amount. It prompts users to budget costs in lieu of overhead directly on projects and then tracks the information in order to be able to complete the costs-in-lieu journals. In the tool, you are asked to include [administrative salaries](#), [office space](#), [lab space](#), and [IT costs](#) as direct costs in the budget. This helps to minimize the amount of unrecovered indirect expenses incurred for the project.

- **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, at the top of the tool, for data collection purposes.
- **One-page/short vs. full/long version tool:** Only the 1-page tool is needed for all proposals. However, departments can still choose to use the full tool, if they desire.
- **Tool:** The tool is located on the [HCSRA website](#), under the *Systems -> IDC Budget Tool*. There is a job aid located on a tab within the tool.
- **Late Proposals:** The [late proposal notification policy](#) also applies to the tool.

Document History

Originally Issued: 9/1/15

Last Revised: 9/27/21

Related Documents

[One-Page IDC Non-Federal Budget Tool](#) (Pin-enabled)

[Full Version IDC Non-Federal Budget Tool](#) (Pin-enabled)

[Indirect Costs - Policy for the Application of Indirect Costs to Sponsored Projects \(OSP\)](#)

[F&A Rates - Non-Federal Sponsors](#)

Questions? Contact

Project-related questions:
[Your SPA SRA](#)

Tool-related questions:
[Kay Sullivan](#)

Business Process Steps

Roles and Responsibilities 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.

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.

<p>Lab Space (wet & dry) (8402)</p>	<p>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.</p> <p>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.</p> <p>Small is < 500 sq. ft. Medium is 500-1000 sq. ft. Large is > 1000 sq. ft.</p>
<p>Information Technology (8404)</p>	<p>Budget \$1,107 annually as of FY21 per FTE with a 3% escalation in out years.</p> <p>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 \$1,107/year.</p>

Revision History

- 9/27/21: Update link to revised [one-page IDC budget tool](#)
- 2/5/21: Moved information from the previous Business Process to new format. Updated *Information Technology* amount to reflect FY21 rates
- 3/22/19: One-page version mandatory for all non-federal proposals, regardless of dollar amount, and the long version is optional. Clarified that, in order to capture data points, a tool must be filled out for all non-federally sponsored proposals, including those that obtain the full federal IDC rate and fellowships.
- 9/1/15: Business Process created