



Office of Sponsored Programs

George Mason University
4400 University Dr. MS 4C6
Fairfax, VA 22030

F&A (Indirect) Cost Exception or Waiver Procedures: Facilities & Administrative (F&A) costs are real costs that the institution incurs in support of extramural activities which cannot be charged as direct costs to a specific grant or contract. The costs result from shared services such as libraries, physical plant operation and maintenance, utility costs, general, departmental and sponsored projects' administrative expenses, and depreciation or use allowance for buildings and equipment. F&A costs are sometimes called indirect costs or institutional overhead.

Application of F&A Rates: It is the policy of George Mason to charge the maximum allowable federally negotiated F&A cost rate on all sponsored projects regardless of funding source, unless a sponsoring agency's written policy will not allow full recovery of F&A costs. This may often apply to a not-for-profit organization. For-profit entities are always charged full F&A costs. George Mason University has referred to the published F&A rates of non-profit foundations, which are lower than George Mason's established Federal negotiated rate as F&A Exceptions. Please note that this policy document makes a distinction between an F&A Exception and an F&A Waiver, as defined below. When a sponsored project proposal is being prepared, Principal Investigators must provide OSP with evidence of the sponsor's published rate either in the sponsor application forms or by including a copy of the sponsor's guidelines.

Mason maintains a database of F&A rate policies for private foundations on the OSP website in the Budget Preparation screen located in the Proposal section. All F&A policies in the OSP database have been confirmed with the sponsor, and/or obtained from the sponsor website. If a solicitation or an agency's written guidelines* specify an F&A rate less than the rate currently approved by the University, the rate is accepted as the maximum rate allowed by the funding agency.

*Written guidelines can include emails indicating the sponsor will not cover indirect costs, and in these instances, a waiver request would not be required. An official waiver request would be needed if the sponsor's email indicates they would prefer not to cover indirect, or request that we waive these costs.

Reduced Rates: When applying a sponsor required, reduced indirect cost rate, this should be applied to Total Direct Costs (TDC) base, unless another cost base is specified.

F&A Waiver Request

Before requesting a waiver, please work with your assigned Grants Administrator. If it is determined that a waiver request should be submitted, please email Michael Laskofski (mlaskofs@gmu.edu), copying your assigned Grants Administrator. The email should include the following information:

- Identify the type of project (research, instruction, etc.) and a description of the activity.
- Explain the reason why the waiver is being requested, which should demonstrate the direct benefit to the students and/or Mason.
- Include a budget and justification