**Last Updated 10/27/2020**

**University of Oklahoma - ORS**

**Information on Requesting Alternate Activity Code/Rate Limitation for a Proposal**

Direct costs in a proposal budget are directly tied to the work being performed; however, there are also costs that are hard to assign a number to that are called Indirect Costs (IDC) or Facility & Administrative (F&A) costs. These are costs such as HR support, ORS support, Contracting/Purchasing support, library use, IT support, office/lab space use (including utilities and custodial support), etc. If you do not have a clear understanding of what direct and/or indirect costs are please talk to someone in ORS.

Indirect costs are a real expense to the University; however, occasions occur where the full negotiated rate may not be appropriate for a proposal. Sometimes the type of work indicates a certain rate should be applied, sometimes the sponsor restricts the rate, and sometimes special rates are allowed. Anytime the negotiated rate isn’t used then it means the University is absorbing the cost difference for that proposal’s work whether it is used as cost share in the sponsor application or not.

Knowing the possible Activity Code (or Type) is important as there may be a rate associated with the type of work being done. Common codes are Organized Research (OR), Other Sponsored Activity (OSA), Instruction (I), and Off Campus. At OU, there are several rates possible for use:

* Organized Research (OR) for all research and development activities including training on research techniques that is not part of instructional idc (currently 55%). This is our default rate for all proposals if a restricted rate is not requested or established by the sponsor.
* Instruction (53.5%) consisting of specific instructional and training activity and may include curriculum development and evaluation of curriculum or teaching.
* Other Sponsored Activities (OSA) at 36.3% for work other than instruction or organized research such as delivering a workshop, writing/publication development, etc.
* Off Campus at 26%.
* State agency courtesy rate of 26% applicable only if Federal flow-through is not involved.
* Sponsor restricted rates (in solicitation or established, officially disseminated policy of a certain IDC rate or no IDC allowed.

Other items you should be aware of:

* University rates periodically change when the negotiation with the government is reviewed.
* Sponsors may change their rates.
* No one at the University is legally allowed to negotiate/approve rates outside of the OU’s federally Negotiated Indirect Cost Agreement (NICRA) with the Department of Health and Human Services except for the VPRP and the Provost (or those to whom it has been legally delegated to).
* IDC determination and calculation are an auditable part of your budget; especially if exceptions are involved.
* It is possible that the Activity Code may be different from the rate used (for example the work is OSA Code, but the sponsor restricts the rate to 8%).
* If the sponsor limits the idc collection in the solicitation, we usually accept that restriction without further documentation from the PI – when in doubt talk to your PDS to see if a request is needed for your limitation.
* OU does not do split or multiple idc rates on a proposal – the most appropriate rate is approved and applied to the whole budget.
* We do have other non-standard rates that are being applied with approval of the Provost; these all require a Reduced IDC Form so we can document them.

If you believe your proposal is **NOT** Organized Research AND/OR you believe it should **NOT be at OU’s full idc of 55%** then you need to look at and probably submit a Form Requesting Alternate Activity Code/IDC limitation. **No limitation on idc** will be used in an OU sponsored programs budget except for ORS approved state agency rate and ORS approved sponsor restrictions without the limitation being approved. To get ORS approval for state agency and sponsor restrictions contact your PDS or complete the Form.