

**Idaho State Board of Education**  
**GOVERNING POLICIES AND PROCEDURES**

**SECTION: V. FINANCIAL AFFAIRS**

**Subsection: N. Grants and Contracts**

**February 2012**

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**1. Approval of Grant and Contract Applications**

All applications for grants and contracts in excess of one million dollars (\$1,000,000) that require the institution or agency to dedicate current funds or facilities or will obligate the institution or agency or state to dedicate future funding or facilities require approval by the executive director. Cost sharing or other types of in-kind matching requirements are not considered as dedicated commitments. If there is no dedicated funding or facilities obligation, the application may be approved by the chief executive officer of the institution or agency or his or her designee. When requests for approval of such applications are presented to the executive director the following information shall be included:

- a. Agency to which application is made.
- b. Amount of the proposal.
- c. Period of the grant or contract.
- d. Purpose of the grant or contract.
- e. Nature of obligations including amount of funds involved or facilities to be committed.

**2. Acceptance of Grants and Contracts**

Grants and contracts accepted by an institution or agency shall be reported to the Board in August of each year, when the amount of the grant or contract award exceeds one million dollars (\$1,000,000). The following information must be provided:

- a. Name of grantor or contract.
- b. Amount of the grant or contract.
- c. Grant or contract period.
- d. Purpose of the grant or contract.
- e. Indicate nature of institution or agency's obligations in the form of dedicated funding or dedication of significant facilities.

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**3. Facilities and Administrative Indirect Cost Recovery**

- a. The following indirect cost recovery rates will be used by institutions and agencies under the governance of the Board for grant and contract services:
  - i. For grants and contracts with the federal government:
    - 1) The indirect cost recovery rates are those negotiated between the institution or agency and the federal government.
    - 2) The indirect cost recovery rate may vary from one classification (e.g. research, instruction, public service/outreach, etc.) to another, but institutions and agencies are encouraged to maximize indirect cost recovery rates.
    - 3) Institutions or agencies may accept indirect cost recovery rates below the institution's/agency's negotiated rate when federal laws, federal programs or policies of the federal agencies limit the rate.
  - ii. For state grants and contracts with or administered by the Office of the State Board of Education, the Division of Professional-Technical Education, or the Division of Vocational Rehabilitation, no indirect cost recovery is allowed.
  - iii. Except as provided above, for grants and contracts with a State of Idaho office, department, agency, authority, commission, board, institution, hospital, college, university or other instrumentality thereof, the indirect cost recovery rate is twenty percent (20%) of the total direct cost; provided however, if the funding is federal pass-through, then paragraph (1) applies.
  - iv. For grants and contracts with any political subdivision of the State of Idaho as defined in Idaho Code §6-902(2):
    - 1) the indirect cost recovery rate is no less than twenty percent (20%) of the total direct cost unless the funding is federal pass through;
    - 2) If the funding is federal pass-through, then paragraph (1) applies.
  - v. For grants and contracts with private entities, whether for-profit or non-profit, indirect cost recovery shall be charged at the full indirect cost recovery rate proposed to the federal government at the last rate negotiation which represents the institution's full cost of doing business.
- b. Reduction or Waiver of Cost Recoveries
  - i. Notwithstanding the indirect cost recovery rates established above, for good cause, the chief executive officer or his or her designee of the institution or agency is authorized to reduce or waive indirect cost recoveries.

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- ii. Discretionary reductions or waivers of indirect costs must be reported to the Board office in August of each year.

**4. Restrictions on Contract Services**

- a. Research or consultant entities of agencies and institutions under the governance of the Board may not bid on contract services when it appears that the contract services are reasonably available from the private sector.
- b. If the product of contract work is to be privileged or its dissemination restricted, the agency or institution may not undertake the contract work without the written approval of the chief executive officer of the agency or institution.