Administrative Overhead Fee and Exemption Instructions

General Information on the Administrative Overhead Fee

Northern Arizona University administrative overhead fee is applicable to all university accounts receiving income generated from the provision of goods and services. Revenues generated by departments and units use university resources (e.g. time, utilities, equipment and facilities) that are funded by central university monies. This fee is intended to reimburse the University for a portion of these resources.

This policy **does** apply to overhead charges on cash, income from sales of supplies and services, special events, commissions, rental income, investment income and other fee and revenue sources.

The overhead fee is **not** charged on funds already paying indirect cost recovery (gifts, grants and contracts), on core tuition or class fees, income previously taxed through university processes, internal billing transactions, interdepartmental revenue, transfers between campus units, strictly not for profit service centers or foundation funds.

Request for Exemption

The full overhead rate will apply to each unit unless exemption criteria of the overhead policy are met. In exceptional circumstances, NAU may waive part or the entire overhead fee or approve a delayed implementation. Exceptions will be considered in the following situations:

- income has been previously taxed through university processes
- income is derived from strictly not for profit service centers (e.g. services campus community and no money above actual cost is collected)
- restrictions exist preventing imposition of overhead charges

Campus units must complete the exemption form and provide documentation on past use of funds, providing sufficient information related to exemption criteria to demonstrate they should be given consideration for an exception of the overhead fee.

Requests may be submitted at any time, however to receive full consideration for an upcoming fiscal year, requests should be submitted by February.

A formal request for an exemption should be submitted to the University Budget Office, Attn: Budget Director, where it will be reviewed for completeness of information and relevance to exemption criteria. Requests will be taken to a workgroup for consideration and a final decision communicated to the requestor. This workgroup will be comprised of the Pat Haeuser-Vice President for Institutional Effectiveness, Karen Appleby- Sr. Assistant to the Provost and Special Assistant to the President and Bjorn Flugstad-Budget Director.