**South Carolina General Assembly**

126th Session, 2025-2026

**S. 34**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Cromer

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Prefiled in the Senate on December 11, 2024

Currently residing in the Senate Committee on **Finance**

Summary: Nonresearch Grant Exceptions

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

12/11/2024 Senate Prefiled

12/11/2024 Senate Referred to Committee on **Finance**

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**VERSIONS OF THIS BILL**

[12/11/2024](https://www.scstatehouse.gov/sess126_2025-2026/prever/34_20241211.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 2-65-70, RELATING TO THE RECOVERY OF INDIRECT COSTS, SO AS TO PROVIDE THAT CERTAIN PROVISIONS DO NOT APPLY TO NONRESEARCH GRANTS FOR PUBLIC INSTITUTIONS OF HIGHER LEARNING THAT SUPPORT THE MISSION OF ANOTHER STATE AGENCY, INSTITUTION, OR UNIT OF GOVERNMENT.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 2-65-70 of the S.C. Code is amended to read:

Section 2-65-70. (A) All agencies receiving federal grants or contracts shall recover the maximum allowable indirect costs on those projects, subject to applicable federal laws and regulations. All indirect cost recoveries must be credited to the general fund of the State, with the exception of recoveries from research and student aid grants and contracts. Further, after January 1, 1999, federal grants and contracts whose annual award is two hundred thousand dollars or less are exempted also from this cost recovery requirement.

(1) Each agency receiving grants or contracts to which indirect costs may be charged must have an approved indirect cost rate or cost allocation plan. Agencies shall prepare the indirect cost proposals and submit them to the board for review. The board shall submit the proposals to the appropriate federal agencies, negotiate the agreements, and transmit approved agreements to the state agencies. The board, upon request, also shall provide a report on the proposals to the House Ways and Means Committee or the Senate Finance Committee, or both.

(2) The board annually shall prepare the Statewide Cost Allocation Plan for allocation of central service costs to federal and other programs. The board shall ensure that state agencies recover costs approved in the plan through federal grants and contracts, subject to federal laws and regulations.

(3) The State Comptroller General shall assist the board in ensuring compliance with this section.

(B) If it is determined to be in the best interest of the State and the agency receiving the federal funds, the requirements of this section may be waived; except that indirect cost waivers may not be granted for unanticipated federal projects authorized pursuant to Section 2-65-30 of this chapter. Requests for indirect cost waivers for continuing federal projects must be made by the applicant agency as a part of its budget request and must be reviewed in accordance with the provisions of Section 2-65-20 of this chapter.

(C) For a public institution of higher learning, the requirements of subsection (A) do not apply to the first five hundred thousand dollars of a nonresearch grant when the grant directly supports the mission of another state agency, institution, or unit of government. Each public institution of higher learning shall provide a report to the Chairman of the House Ways and Means Committee, the Chairman of the Senate Finance Committee, and the Chairman of the State Fiscal Accountability Authority by September thirtieth of each year detailing the utilization of this subsection in the previous fiscal year.

SECTION 2. This act takes effect upon approval by the Governor.

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