Policy Name: Facilities & Administration (F&A)/Indirect Costs
Effective Date: 7/1/2013
University Division: Academic Affairs, OSPR

**Definition: Facilities & Administrative (F&A) Cost; also referred to as the Indirect Cost (IDC); Overhead Costs**

The costs incurred by a project that cannot be clearly identified and assigned to that project (local telephone charges, administrative support, library use, building costs, utilities, etc.).

- **Cognizant Agency:** U.S. Department of Health and Human Services
- **Effective Period:** 7/1/2013-6/30/2017
- **Rate:** 41% of Modified Total Direct Costs (MTDC)

### MTDC Base Includes:

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<td>4. Supplies</td>
<td>5. Services</td>
<td>6. Travel</td>
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- 7. Equipment (up to $5,000 acquisition cost per unit)
- 8. Subgrants/subcontracts up to first $25,000 of each subgrant/subcontract regardless of the period covered by subcontract

### MTDC Base Excludes:

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<th>1. Equipment (acquisition cost over $5,000 per unit)</th>
<th>2. Rental costs of off-site facilities</th>
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<td>3. Tuition remission</td>
<td>4. Scholarships and fellowships</td>
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<td>7. The portion of each subgrant/subcontract in excess of $25,000</td>
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ULM’s current federally negotiated F&A rate agreement can be downloaded from the OSPR website.

**Terms: Facilities & Administrative (F&A) Cost**

1. This policy applies to extramural funding from awards made to the university by a sponsored program - agencies and third parties - for research, instruction, or public service projects.

2. This policy does not apply to donations, fees or other accounts receivables.

3. ULM will comply with sponsored programs F&A cap (limit) as long as it is put in writing by the sponsored program, uniformly applied, and made available to OSPR during the pre-awards stage.
4. OSPR may negotiate a reduced F&A rate with the sponsored program on the PI’s behalf for projects with a total direct cost of $20,000 or less a year.

5. Projects with direct costs over $20,000 a year must use ULM’s MFT rate of 41% or sponsored program’s F&A cap if it is less.

**Procedures: Facilities & Administrative (F&A) Cost**

**Pre-Award**  
1. The PI will calculate the F&A on the budget form provided by OSPR in the Proposal Routing and Approval Forms (PRAF) [http://www.ulm.edu/research/forms.html](http://www.ulm.edu/research/forms.html).

2. If applicable, the PI will provide sponsored program's F&A cap documentation to OSPR with PRAF.

**Post-Award**  
1. F&A must be included on the Master Budget Form, Banner Account number 703346.

2. The Controller’s Office, Grants and Contract’s Division will continuously deduct F&A from the account as it is earned and report on the financial statements as directed by the sponsored program.