

Facilities and Administrative (F&A) costs

What are they?

- Facilities and Administrative (F&A) costs were formerly known as indirect costs and overhead. These are costs that are necessary to support research and other sponsored projects, but that cannot be readily assigned to individual projects.
- F&A costs include support costs related to facilities operations (utilities, maintenance, security, etc.), university and departmental libraries, departmental administration, and general administration.
 - “Facilities” is defined as depreciation and use allowances, interest on debt associated with certain buildings, equipment and capital improvements, operation and maintenance expenses, and library expenses.
 - “Administration” is defined as general administration and general expenses, departmental administration, sponsored projects administration, student administration and services, and all other types of expenditures not listed specifically under one of the subcategories of Facilities.
- The University recovers F&A costs from the sponsor by applying a certain percentage to the direct cost of the proposal budget.
 - The University’s F&A rate is calculated in accordance with federal cost principles (OMB Circular A-21) is negotiated every three years. Rates are established for the projects that are conducted on-campus and off-campus.

How are F&A costs applied?

- The rate (on or off campus) applied to a proposal is based upon where the preponderance of the work is conducted.
- At the University of Colorado more than 50% of the budget must be directly related to off site work in order to apply the off-campus rate.
 - As an “On Campus” rate – 52.5% per IDC negotiation 5/25/11.
 - As an “Off Campus” rate – 26% per IDC negotiation 5/25/11.
 - Rate is applied against Total Direct Cost (TDC).
 - Rate is applied to all of the direct costs without any exclusions.
 - Rate is applied against Modified Total Direct Cost (MTDC).
 - Rate is applied to Rate is applied to all direct costs except for equipment with a unit cost greater than \$5,000, patient care, tuition/fees, scholarships, fellowships, participant support costs, rental of off-site facilities, alterations and renovations, and subcontracts in excess of \$25,000.
 - As specified by the sponsor.