

**College of Veterinary Medicine
F&A Rates**

The College of Veterinary Medicine incorporates the University's current policy for indirect costs. The below table is a list of F&A rates for common research sponsors.

Entity	IDC Rate
CVM Intramural Grants	10%
Industry	64.8%
Industry Clinical Trial	26%
Federal (NIH, CDC, NSF, etc)	56%
Federal Clinical Trial	56%
NIH Fellowship (F-award)	0%
NIH Career Development (K-award)	8%
USDA/NIFA	42.857%
USDA/NIFA Fellowship	0%
Morris Animal Foundation	8%
Gates Foundation	10%
National Pork Board	0%
American Kennel Club Fdn	8%
American Veterinary Medical Fdn	8%
Winn Feline Foundation	0%
ACVIM	0%
Other non-Industry Sponsor with no posted IDC cap	56%

A reduced F&A rate may be accepted on an exception basis. Please contact John Robinson or Dr. Patrick Green to discuss any deviation from these posted rates. It is helpful to provide a copy of the sponsor's written policy on F&A costs when requesting a deviation or submitting to a sponsor not listed above.

Facilities & Administrative (F&A) Costs

F&A costs are those costs associated with providing and maintaining the infrastructure that supports the research enterprise (buildings and their maintenance, libraries, etc.) and which cannot easily be identified with a specific project. The university encourages including the appropriate F&A costs in all proposal budgets, unless the sponsor specifically prohibits them, and it expects that F&A costs will be recovered to the maximum extent possible.

The university strives to maximize F&A cost recovery, consistent with sponsor policy (e.g., some federal agencies and not-for-profit organizations have a lower rate that they consistently ask awardees to accept). There may be instances when a department and college feel it is in their best interests to propose a rate lower than that which the sponsor routinely provides. Units can propose and accept lower rates; this should be a rare occurrence, however.

"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 expenses, departmental and college administration, sponsored projects administration, and all other types of expenditures not listed specifically under one of the subcategories of Facilities.

F&A cost rates are determined in conjunction with auditors from the U.S. Department of Health and Human Services. There are separate rates for different types of activities, but in each case the rate is calculated and charged as a

percentage of modified total direct costs (MTDC). To determine the MTDC base to which the F&A rate will be applied, add all direct costs then subtract equipment, capital expenditures (alterations and renovations), charges for patient care and tuition remission, off-campus space rental costs, scholarships and fellowships, and the portion of each subgrant or subcontract in excess of \$25,000.

When an F&A rate lower than the appropriate university approved rate is used, the rate is applied to all direct costs (i.e., the base to which the F&A rate is applied is total direct costs, not modified total direct costs), unless the sponsor specifically excludes certain categories.

Facilities & Administrative (F&A) Costs on Subcontracts

If a project does not recover F&A costs at the appropriate negotiated rate, the F&A cost base is total direct costs (TDC), which includes the entire subcontract amount, unless the sponsor specifically excludes subcontract costs. In addition, any F&A cost restrictions are passed on to the subcontractor.

If a project recovers F&A costs at the appropriate negotiated rate, only the first \$25,000 of the subcontract is subject to F&A costs. In a multiple-year project, the total subcontract amount across all years is considered in calculating the F&A costs. Thus, if organization X will receive a subcontract for \$40,000 in each year of a four-year project, F&A costs are applied only to the first \$25,000 in year 1. However, if the budget is \$10,000/year, F&A costs would be applied to the entire subcontract amount for years 1 & 2; to \$5,000 in year 3; and not at all in year 4.

F&A Cost Rates

Please refer to the University's current [rate agreement](#) for the applicable indirect cost rates.

Rates are applied to a Modified Total Direct Cost (MTDC) base i.e., to all costs except equipment (stand alone items with a useful life of a least 1 year and a unit cost of at least \$5,000); alterations and renovations; patient care costs; tuition; rental of off-site facilities; subcontract and subgrant costs in excess of \$25,000.

Off-campus rate applies to those projects (a scope of work or activity with a separate budget and accounting) for which 50% or more of the salary and wages are incurred in facilities not owned and controlled by the University and for which rent is allocated as a direct cost to the project.