

Facilities & Administrative Cost Policy

Responsible Office: Office of Research

Effective Date: September 25, 2013

Last Revision: September 25, 2013

Purpose:

The University's Facilities and Administrative (F&A) rate is negotiated with the U.S. Department of Health and Human Services and reflects the cost of real, auditable expenses incurred in the conduct of research. Included among these costs are depreciation costs of buildings and equipment, maintenance and repairs, janitorial services, utilities, hazardous waste disposal, libraries, and general administrative costs such as sponsored programs administration, departmental administration and general administration (accounting, purchasing, legal services, personnel, and compliance). These costs are "indirect" because they are not easily identified with a specific project and therefore are not included in the "direct" portion of the budget. Such indirect costs support the conduct of research, regardless of the source of funding, and therefore *must be applied to all sponsored projects*.

For reasons of sound management and equitable stewardship of resources used in support of all sponsored activities, it is expected that all sponsored projects recover full F&A costs.

Facilities & Administrative (F&A) Cost Recovery Policy:

It is University of Florida policy that all proposals and agreements for external funding include full F&A costs using UF's federally negotiated rate and base in effect at time of proposal submission. A non-profit or public entity that has a published rate less than the University's negotiated rate will be accepted, if equitably applied by that sponsor to all applicants. Any addition reduction (defined as a waiver of F&A) is strongly discouraged.

Facilities & Administrative (F&A) Cost Return and Use Policy

Section 1004.22, Florida Statutes, allows each university within the State University System to retain collected F&A costs from grants and contracts to operate and support the research, research related activities or sponsored training programs of the University of Florida.

Each year the Office of Research returns a portion of the recovered F&A costs to principal investigators, department chairs, directors of certain authorized centers, if appropriate, and college deans. This return of F&A costs generally occurs in the fall of each year and is based upon the F&A expenditures on sponsored projects during the preceding fiscal year (July 1 - June 30).