
Facilities and Administrative (F&A) Costs

POLICY CONTENTS

- Scope
- Policy Statement
- Reason for Policy
- Procedures
- Definitions
- Additional Contacts
- Forms
- History

Scope

This policy applies to all university faculty, research professionals, administrative staff, including those on limited appointments, and students who are applying for federal or non-federal external funding.

Policy Statement

Facilities and administrative (F&A) costs, also known as indirect costs, are costs incurred in support of sponsored projects, but not identifiable with any single project. Facilities costs can include but are not limited to electricity, water, utilities, custodial services, plant operations, and maintenance expenses. Administrative costs can include but are not limited to payroll, accounting services, office supplies, departmental administration, procurement services, library services, and sponsored project administration. These costs are incurred whether the sponsored project is federally or non-federally sourced. Sponsored projects encompass all scholarly activities such as consulting, training, instruction, research, fellowships, or other similar academic activities.

The federal government recognizes that it is not possible to accurately capture all costs of an organization that is allocable to a particular sponsored project. The Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called "Uniform Guidance") is the authoritative set of rules and

requirements for Federal awards. The Uniform Guidance aims to reduce the administrative burden on award recipients and, at the same time, guard against the risk of waste and misuse of Federal funds.

Uniform Guidance 2 CFR 200, Subpart E-Cost Principles define a process for grouping costs into specified cost pools, which are then distributed to appropriate activities in a cost allocation process. Once the cost allocations are made, negotiations take place between the university and its cognizant agency. The University of Nebraska at Omaha (UNO) negotiates with the Department of Health and Human Services (DHHS). Rates are generally renegotiated every four years.

Uniform Guidance 2 CFR 200.414(c), states:

1. The negotiated rates must be accepted by all Federal awarding agencies. A Federal awarding agency may use a rate different from the negotiated rate for a class of Federal awards or a single Federal award only when required by Federal statute or regulation, or when approved by a Federal awarding agency head or delegate based on documented justification as described in paragraph (c)(3) of this section.
2. The Federal awarding agency head or delegate must notify OMB of any approved deviations.
3. The Federal awarding agency must implement, and make publicly available, the policies, procedures, and general decision-making criteria that their programs will follow to seek and justify deviations from negotiated rates.
4. As required under §200.203 Notices of funding opportunities, the Federal awarding agency must include in the notice of funding opportunity the policies relating to indirect cost rate reimbursement, matching, or cost-share as approved under paragraph (e)(1) of this section. As appropriate, the Federal agency should incorporate discussion of these policies into Federal awarding agency outreach activities with non-Federal entities before the posting of a notice of funding opportunity.

Per this guidance, UNO applies its federal F&A rate to all federally funded projects, whether we are the prime recipient or a sub-recipient of those funds. UNO also applies its federal negotiated F&A rate to projects funded by business, industry, or foundation partners. These projects incur the same costs as federally funded projects. Requesting F&A allows the university to recover some of its real costs.

[UNO F&A Rate Information](#)

The applicable F&A rate will be determined by the Office of Sponsored Programs (OSP) in collaboration with The Office of Research and Creative Activity (ORCA) and Grants Accounting Leadership.

In order to identify the appropriate F&A rate to use on federal and non-federal sponsored projects and to determine when the full F&A rate is not applicable, all externally sponsored funding proposals must be reviewed and routed through OSP. This is applicable to any proposal that is funded by a third party external to UNO and that involves one or more of the following: an authorized university signature, commitments of University resources, specific deliverables, a budget, one or more subrecipients, and human subjects, vertebrate subjects, radiation, and/or biohazards.

An award that comes without having been routed through OSP and properly approved by the Board of Regents appointed Authorized Organizational Representative (AOR) will be delayed until OSP determines that the applicable F&A rate was used, reviews for University compliance, and obtains all approval signatures. This is applicable to all award mechanisms, including but not limited to grants, cooperative agreements, contracts (procurement, service, or consultant), agreements, fellowships, and sponsorships. This is done to ensure the protection of the interests and integrity of scholars, researchers, and the university.

ORCA retains authority for the reduction of F&A costs on proposals and awards. Because F&A costs represent true costs of a project, rate reduction requests should be limited only to those rare circumstances where the benefit to the university outweighs the monetary loss to the university.

Some circumstances under which a rate reduction will be considered include:

1. the sponsoring agency has published policies limiting or prohibiting the payment of full F&A or indirect costs; or
2. the project requires significant cost-sharing that cannot be met by other sources; or
3. there are extenuating circumstances that support such a rate reduction.

Any request to reduce full F&A must be thoroughly justified and approved by the Associate Vice Chancellor for Research and Creative Activity. Notification of the rate reduction determination will be sent via email to the requester and uploaded into NuRamp.

A formal rate reduction request is not required if:

1. The sponsor's existing published policy limits the use of UNO's full F&A rate, a copy of the published policy, request for funding announcement, or the website where the information can be found is sufficient for justification and will be uploaded into NuRamp.
2. If the policy is not publicly published but is being requested by the sponsor for the project, an email or letter from the sponsor needs to be submitted to OSP for review. This documentation will be reviewed and approved on a case-by-case basis. If approved, this documentation will be uploaded into NuRamp.

Reason for Policy

To identify the appropriate F&A rate to use on federal and non-federal sponsored proposals and to determine when the full F&A rate is not applicable. This policy further establishes consistent operational practices for requesting a reduction of the full F&A rate.

Procedures

F&A costs are real costs to the university. As such, UNO expects the full applicable F&A rate to be charged on all sponsored projects. In some circumstances, a reduction of the full F&A rate is needed. The need for a reduction of F&A or use in institutional cost-sharing should be identified, justified, and requested before completing the budget for the proposal. The request **MUST** be approved and uploaded before routing the NuRamp form for submission approval.

Request

To request F&A to be reduced or used as institutional cost share, an F&A Rate Reduction (FARR) Form needs to be submitted. It is the responsibility of the project's lead PI to complete the FARR and send for approval. The FARR form identifies:

- The Lead PI
- Agency and program to which the proposal is being submitted
- Proposed F&A rate
- Amount of F&A Requested
- Amount of F&A Being Reduced

- Rationale and justification for reducing F&A including

Approval

The online FARR form will be sent OSP for initial review to ensure all applicable information and backup documentation is provided. OSP will then send the request to the Associate Vice Chancellor for Research and Creative Activity for consideration. Additional information or clarification may be requested by OSP and/or the Associate Vice Chancellor for Research and Creative Activity.

- Notification of the rate reduction determination will be sent to OSP and distributed to the requester
- A copy of the determination will be uploaded in NuRamp.

Definitions

Authorized Organizational Representative (AOR): an individual who is authorized to sign on behalf of the proposing organization. For UNO, this person must be approved by the University of Nebraska Board of Regents. Only the AOR is authorized to submit a proposal or sign agreements on behalf of UNO.

Sponsored Projects: the term “projects” encompasses all scholarly activities such as consulting, training, instruction, research, fellowships, or other similar academic activities.

Additional Contacts

Subject	Contact	Phone & Email	Additional Contact Information
Policy Questions/ Assistance	Office of Sponsored Programs	402.554.2286 unosponpro@unomaha.edu	

Forms

[F&A Rate Reduction Form \(FARR\)](#)

History

New policy approved on October 26, 2021.

The University of Nebraska does not discriminate based on race, color, ethnicity, national origin, sex, pregnancy, sexual orientation, gender identity, religion, disability, age, genetic information, veteran status, marital status, and/or political affiliation in its programs, activities, or employment.