

Facilities & Administrative (F&A) Costs or Indirect Costs

Funding from external sponsors comes in two forms, the first is called direct costs. Direct costs pay the salaries of project investigators, students, and other personnel related to projects, for supplies and equipment, and for the travel costs associated with conducting and sharing project. But investigators need other support to conduct their work, which is where the second type of funding comes in. Academic institutions are also provided funds for the facilities and administrative costs associated with their projects. These funds are sometimes called F&A or indirects. These costs are incurred in support of sponsored projects, but is not identifiable to any single project.

Some Common Perceptions....

...Don't Align with Realities of F&A

F&A is centrally administered “tax” on research that allows universities to “profit”

F&A is **partial reimbursement** for costs **already incurred** by the university to support sponsored projects

Direct costs are the only “real costs” of research – F&A **diverts dollars away** from supporting actual sponsored projects

F&A costs ARE real costs, without which PI’s would not be able to conduct any sponsored projects

Universities intentionally keep F&A usage secret so they can use dollars as “**slush fund**” rather than support PI’s

Universities **reinvest** F&A dollars in **all scholarly activities**

Higher F&A rate will **hurt faculty chances** of a grant being funded

Little evidence that higher F&A rates negatively influence federal award decision for individual investigators

Realities of F&A

F&A helps pay for costs of buildings, both new and old, especially designed for research or scholarly activities, maintenance and security for all research spaces, electricity, heating, IT support, and administrative staff. Administrative staff ensure compliance with the applicable federal, state, university and sponsor regulations that project UNO, faculty, staff and students.

Waiver or Rate Reduction

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 waiver of the full F&A rate is needed.

ORCA retains authority for waivers or reduction of F&A costs on proposals and awards.

The need for a waiver 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 MavGrants form for submission approval.

Please contact your grants coordinator early in the proposal during the budget preparation for instructions on requesting a waiver.

Current Negotiated Rates

Rates are determined an exacting negotiation process with DHHS that requires us to identify and defend costs associated with federally sponsored research eligible for reimbursement.

Date of Rate Agreement: July 1, 2021

- Instruction Rate: 48.50%**
 Sponsored instruction and training mean specific instructional, or training activity established by grant, contract, or cooperative agreement.
- Organized Research Rate: 48.50%**
 Sponsored research means all research and development activities that are sponsored by Federal and non-Federal agencies and organizations.
- Other Sponsored Activities: 34.00%**
 Other sponsored activities mean programs and projects financed by Federal and non-Federal agencies and organizations which involve the performance of work other than instruction and organized research.
- Carnegie Community Engagement Rate: 26.00%**
 Any sponsored projects funded by local government and local not-for-profit agencies within the Omaha Metro area.
- Off-Campus Rate: 26.00%**
 Off-Campus means at least 50% of activities are conducted in space, buildings, or property that is not owned by UNO, and the facility-related costs (rent, utilities, & other maintenance) are either directly charged to the project or occur without a cost to the university.

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) leadership.