

UNIVERSITY OF SOUTH ALABAMA



Facilities & Administrative Costs

EFFECTIVE DATE: FEBRUARY 20, 2018

Scope

This guidance applies to all sponsored project budgets submitted to external sponsors on behalf of the University of South Alabama for funding consideration and to those sponsored projects that receive funding from external sources. The practices are specific to distinct projects and any approved deviation should not be considered precedent for future submissions.

Facilities & Administrative Costs

Sponsored project budgets at the University of South Alabama (USA) should include all costs needed to accomplish the objectives presented in the proposal or agreement. The total cost

cannot be readily and specifically identified with a particular project. "Overhead", are indirect costs that provide support for extramural activities but cannot be directly

Application

Direct Costs: Direct Costs are those costs that can be identified specifically with a particular sponsored project, an instructional activity, or any other institutional activity, or that can be reasonably assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either Direct or Indirect. When an institution treats a particular type of costs as a Direct Cost of sponsored agreements, all costs incurred for the same purpose in like circumstances shall be treated as Direct Costs of all activities of the institution.

Base: The F&A rate is applied to a base of Direct Costs in order to determine F&A. This is calculated in the following way:

- MTDC base = Modified Total Direct Cost TDC = Total Direct Cost.
- TDC minus equipment, capital expenditures, patient care, tuition, participant support, rental costs of off-site facilities, scholarships, fellowships, and the portion of each subaward of \$25,000 = MTDC
- F&A = MTDC base multiplied by appropriate F&A rate

Off-Campus The off-campus rate is used if the activity is conducted outside of on-campus buildings.

Multidisciplinary Proposals Only ONE rate is applied to each budget. The rate will be determined by how the majority of activity is performed under the project (i.e. on-campus or for a particular activity Research, Other Sponsored Activity or Instruction.) This applies to proposals which include more than one college or department. The rate of the leading investigator submitting the proposal will apply to the entire award. In the event of dual appointment, the unit submitting will prevail.

Other Sponsored Activity (OSA) According to 2 CFR 200, Appendix III, Section A.1.c, Other Sponsored Activity consists of "programs and projects financed by federal and non-federal agencies and organizations which involve the performance of work other than instructional or organized research." Some examples of OSA include community engagement, public service projects, and contracts for these activities.

Concessions to the F & A Schedule

Exceptions to the Application of the Negotiated Rate

The University recognizes that some sponsors and programs limit by policy their F&A reimbursement.

F&A rate is anticipated, the PI should contact SPA in advance of budget development and proposal submission.

Any reduction of F&A rate under conditions other than those identified considered costsharing and therefore must be approved according to the University's cost sharing policy

Failure of the Principal Investigator to submit the proposal via approved institutional channels (e.g., through department, college, and SPA) prior to submission to the sponsor is not cause for a waiver. In these cases, the sponsor will be expected to pay the full applicable F&A rate or the department will be responsible for costsharing that portion of the F&A the sponsor refuses to pay.

In addition, all parties of the review should be attentive to the proper calculation of F&A in the budget. If a proposal includes an error in calculation, the appropriate F&A must still be recorded. Request to the sponsor to appropriately adjust the overall award or reduction in Direct Cost will be necessary to accommodate any error.

Requesting a Waiver

The procedures for requesting a waiver can be found at:

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reimbursement and recovery during proposal submission. Approved waivers will be uploaded by the unit to Cayuse prior to proposal routing

Grants and Contracts Accounting

The Office of Grants and Contracts Accounting (GCA) is responsible for reviewing all aspects of F&A calculations for awarded projects and entering the appropriate budget into Banner. GCA will monitor F&A throughout the life of the award and ensure necessary