

## GRANTS AND CONTRACTS ACCOUNTING FACILITIES AND ADMINISTRATIVE COSTS (F&A)

### General:

Periodically, every 2-3 years, Grants & Contracts Accounting prepares a F&A rate proposal for submission to the Division of Cost Analysis (DCA) section of the Department of Health and Human Services (DHHS). The proposal is prepared on a given fiscal year's expenditures called the "base year". These expenditures are grouped by the program and organization chartfields captured in the University's financial system. Ultimately, F&A costs, more commonly thought of as "overhead" or indirect costs, are determined and allocated to direct costs such as Instruction, Research, Public Service etc... A F&A rate is then calculated as a percentage of each direct cost objective.

The Research rate is the only rate that is negotiated with DCA during the F&A proposal process. The current rates using base year 2000 was negotiated for the period(s) 7/1/01-6/30/04 as reflected in the Applicable Indirect Cost Rates memorandum dated 1/16/02 shown below: