**OFFICE OF RESEARCH  
University of New Orleans**

Internal Management Directive IMD – 85.001

Effective Date: 11/1/2008

**SUBJECT**: F&A Cost Rate

**PURPOSE**

To provide guidelines for F&A rate for proposals.

**DEFINITIONS**

None.

**GENERAL POLICY**

The campus F&A (Indirect or Overhead) rate is determined via negotiations between the Department of Health and Human Services (DHHS) and the university Office of Financial Services. In rare cases a reduction in the F&A rate or waiver of indirect cost recovery from the campus approved rate can be granted by a designated campus official, on an individual basis, and only under a limited set of conditions.

**AUTHORITY**

Internal Management Directives, IMDs, are issued in accord with AP-OP-01.1.

**POLICY**

The F&A (Indirect or Overhead) cost rate for all new proposals for the University of New Orleans is:

1. Proposals for on-campus projects will use the current F&A rate of 46%
2. Proposals to federal sponsors for all off-campus projects may use the off-campus rate of 26%
3. Proposals to state and local government agencies may request the off-campus rate of 26%

The on-campus versus off-campus rate is determined on the basis of the expenses as listed in the proposed budget. If the PI is requesting the off-campus rate it is the responsibility of the PI to indicate in the budget narrative a listing of all direct costs (less subawards) that will be incurred for on-campus activities and all direct costs (less subawards) that will be incurred for off-campus activities. If more than 50% of the expenditures as detailed above are for off-campus activities, the PI may request the off-campus rate to be applied to the proposal.

The state and local government rate applies only to funds originating from the state. It does not apply to pass-through funds, i.e. funds originating with the federal government which have been distributed to the state. Sponsored projects cannot be subject to more than one F&A cost rate. Please note that the indirect rate for a subaward is the same as the prime and the location of the subaward is not used in determining if the prime award is on or off campus.

Exceptions to the campus approved rate on an individual basis may only be requested under a limited set of conditions:

* The primary purpose of the proposal is to benefit students
* The project will contribute to the social well-being or economic development of the state
* The sole purpose of the proposal is to fund conferences, symposia, or conventions
* The sponsor is a foundation or federal agency which has an established policy of prohibiting or limiting indirect costs
* The reduction is necessary in order to be competitive with other institutions competing for the same funding

Please note that the first bullet applies only to proposals in which all of the direct costs are targeted to students (i.e. stipends, tuition, travel, etc.) and does not apply to proposals which are primarily for the advancement of the research program of the PI. If the agency does not allow charging of F&A, the PI should budget allowable administrative costs to help offset the cost of administering the grant.

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