New Facilities and Administrative (F&A) and Fringe Benefit Rates

We have recently concluded F&A (Indirect) Cost and Fringe Benefits Rates negotiations with the Department of Health and Human Services (DHHS) resulting in a new federal rate agreement. This agreement spells out the new F&A and Fringe rates that will be applied to federal grants and contracts through June 30, 2019 and the application of these rates to sponsored awards. The rate agreement is dated June 26, 2015.

Using guidelines provided by the federal government, FCA captures and calculates the F&A rate using allowable indirect costs and assigns them to a F&A cost pool. These costs are incurred for the benefit of the University's three primary functions:

1. **Instruction and departmental research** includes teaching and training activities of an institution, and University funded departmental research such as startup fund activity.
2. **Organized research** refers to all externally funded research and development activities that are separately budgeted and accounted for, such as federal and non-federal sponsored research.
3. **Other institutional activities** include operation of residence halls, dining halls, hospitals and clinics, student unions, intercollegiate athletics, bookstores, housing, student apartments, chapels, theaters, public museums, and other similar auxiliary enterprises, and other unallowable activities such as resource development and alumni

The F&A rate is equal to the total F&A costs allocated to each function divided by the modified total direct costs (MTDC) of that function. MTDC consists of total direct costs less certain categories of costs. Examples are moveable capital equipment, capital expenditures, alteration and renovation costs patient services, scholarships and fellowships, and the portion of a subcontract in excess of $25,000.

The F&A rates that will be charged on sponsored awards are found here: facilities-administrative-cost-rates/Fringe Benefits Rates

**Fringe Benefits Rates:** FCA calculates two sets of Fringe Benefit rates; federal and non-federal. Per federal regulations, the costs associated with tuition remission for family members of employees may not be included in the federal fringe benefit rate. Accordingly, separate non-federal fringe benefit rates (that include the costs of this employee benefit) are established for professional and non-professional employees. These non-federal rates are for use in all proposals for non-federal awards which do not involve federal funding or funding under a federal prime award. See the current fringe benefit rates here: fringe-benefit-rates/

**Graduate Student Health Plan rate:** Graduate students who qualify receive a credit for their health insurance cost. See the current Graduate Student Health Plan: fringe-benefit-rates/

Contact Facilities Cost Analysis (FCA)

FCA responds to inquiries regarding clarification on any of these concepts and the University policies related to all F&A (Indirect) Costs Rates & Fringe Benefit Rates. Please contact us with any questions:

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