

# FACILITIES AND ADMINISTRATIVE (F&A) COSTS FACT SHEET



Facilities and Administrative (F&A) costs represent the infrastructure and operations costs that support the research enterprise at the University of Washington. Similar to the overhead costs of a business, F&A costs are real costs incurred in conducting and running the UW's research program. Because of the administrative burden that would be required to determine such costs for each of the thousands of projects being carried out at each university, the federal government allows us to average the costs by major function and charge a single rate. We, in turn, apply these same rates to non-government research programs.

## DIRECT COSTS VS. F&A COSTS

**DIRECT COSTS** are funds used by the Principal Investigator to pay for the costs of conducting the research including:

- Salaries and benefits for researchers
- Award-specific supplies
- Award-specific equipment
- Travel to conferences
- Publication costs

**F&A COSTS** are funds used to maintain the University's research infrastructure, including:

- Facilities maintenance
- Utilities
- Amortized cost of the research facility
- Department/school/college administrative costs
- Research support offices
- Proposal submission and approval
- Purchasing services
- Payroll services
- Invoicing services
- Accounting services
- Reporting services
- Human Resources
- Compliance (such as approval and monitoring of research involving human subjects, animals, or toxic chemicals)

## DETERMINING F&A COSTS

The basic procedures for determining F&A costs are:

1. Calculate Total Direct Costs (TDC) for all direct costs
2. Calculate exemptions (capitalized equipment, tuition, etc.)
3. Deduct exemptions from TDC to determine the Modified Total Direct Costs (MTDC)
4. Multiply the MTDC by UW's current F&A rate to determine F&A costs

$$\$150K \text{ TDC} - \$50K \text{ Exemptions} = \$100K \text{ MTDC}$$

$$\$100K \text{ MTDC} \times 55\% \text{ F\&A Rate} = \$55K \text{ F\&A costs}$$

$$\$150K \text{ TDC} + \$55K \text{ F\&A costs} = \$205K \text{ Total Project Costs}$$

## F&A RATES

**On-Campus: 54.5%** (FY15-17), **55%** (FY18) and **55.5%** (FY19-20)

**Off-Campus: 26%** (FY15-20)

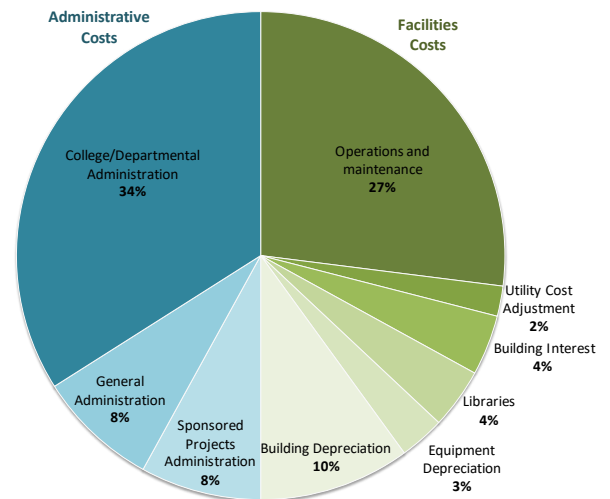
**South Lake Union: 74%** (FY15-16); **75%** (FY17); **76%** (FY18-19); and **76.5%** (FY20)

• These are not the full set of F&A rates. Different rates may apply, check [GIM.13](#).

## F&A COST RATE CALCULATION

F&A cost rates are based on the UW's actual operating costs. Using guidelines provided by the federal government, the UW assesses its F&A cost on a regular basis. Once all the F&A costs are determined, the UW determines the portion of costs that are related to research (e.g. building costs for research space, sponsored project support, library and Human Resource cost pools, etc). Every four to five years this information is reviewed by the federal government during F&A rate negotiations.

## BREAKDOWN OF F&A COSTS FOR ON-CAMPUS RESEARCH



• Typical F&A on-campus costs rate distribution; rates may vary depending on the location of the research activities.