

## What is F&A?

### College of Engineering

#### F&A stands for “Facilities & Administration Costs”.

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- F&A refers to the **costs incurred by MU in its general support of sponsored programs**. F&A is **not** the costs of specific project activities. Chemicals used in experiments are **not** F&A; the electricity used to run fume hoods and for building lighting **is** F&A.
- F&A on grants is the **portion of a grant award retained by campus** to cover those general costs.

#### How is F&A Calculated?

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- F&A is calculated as a percentage of a grant, using **the F&A Rate**.
  - F&A rate depends on project classification—Research, Instruction or Other Sponsored Activity have different rates—and whether the project takes place on- or off-campus. For example:
    - For an **NSF-funded research** project on campus, FY24 F&A rate is 56.5%.
    - The **Sloan Foundation** restricts F&A on some grants to 20%.
  - F&A rate is higher if a PI waives their Intellectual Property on an **industry-sponsored** project. For a research project with waived IP sponsored by IBM, F&A rate = 61.5%.
  - All rates are shown at <https://research.missouri.edu/sponsored-programs-administration/grant-fact-sheet>, under the drop-down menu of the header “Facilities and administrative (F&A) rates (applied to MTDC\*)”
- F&A calculation is based on Modified Total Direct Costs (**MTDC**) on a grant proposal, not the Total Direct Costs. That is, some costs are exempt from the F&A calculation.\*
  - This is why F&A is sometimes referred to as “**Indirect Costs**”.

#### How do I find F&A calculation on my Project Budget?

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\*All costs at the top of a budget spreadsheet are Direct Costs. Added together these give Total Direct Cost (**TDC**). Then, certain items are exempted: they are subtracted from TDC to give the Modified Total Direct Cost (**MTDC**). These exempted items include tuition, equipment as well as subaward costs that exceed \$25k. The F&A rate is then applied to the MTDC to give the F&A...here it is denoted as Indirect Costs (**IDC**). This dollar amount, the IDC, is added to the TDC to give the true Total Budget = IDC + TDC.

#### What does Campus do with F&A?

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MU Campus retains 80% of collected F&A to support operational costs. MU Campus returns the remaining 20% to the College of the PI and/or co-PIs, in the amounts corresponding to their shared credit. Please see “F&A Return – When / How / How Much” [here](#).

#### What is F&A Return?

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College of Engineering (COE) FY24 policy is to share this 20% with the PI, depending on the faculty member’s existing discretionary funds (DF):

- Faculty with < \$100,000 in DF will automatically receive half of the 20%, i.e., will receive 10% of the collected F&A in the amount corresponding to their shared credit.
- Faculty with ≥ \$100,000 in DF: F&A return is not automatic. It must be requested [here](#).

Please see “F&A Return – When / How / How Much” [here](#).