

Policy#: 400.721	F and A Cost Recovery on Grants, Contracts, Funded, and Sponsored Projects
Executive Owner: Vice President Research Operations	Effective Date: 8/30/2013
	Review Date: 1/4/2016

Scope	<p>This policy applies to the recovery of Facilities and Administrative (F&A) costs associated with:</p> <ul style="list-style-type: none"> • Federal and state funded grants or contracts, • Externally sponsored research projects, and • Externally funded research projects
Purpose	<p>The purpose of this policy is to describe the steps associated with the recovery of Facilities and Administrative costs related to grants, contract, funded and sponsored projects.</p>
Policy	<p>Recover all F&A costs associated with federal and stated funded grants and contracts, and externally funded or sponsored research projects unless a waiver is granted in writing by the Director of Office of Research Administration (ORA).</p> <p>The Federal F&A Rate is subject to change and is based on the current negotiated rate with the Federal Government and is specified in our “Hospital Rate Agreement,” which is posted on the Office of Research Administration website. At the time of this policy, the rate is 69.5%. AdventHealth Orlando uses a Modified Total Direct Cost (MTDC) method for determining the cost basis for charging the F&A rate.</p> <p>The appropriate Non-federal rate for industry-funded projects is based on Total Direct Costs excluding IRB fees. The Non-federal rate for industry-funded projects may be negotiated by the research department on a project-by-project basis with a rate of no less than 25%.</p> <p>AdventHealth Orlando may approve a reduced F&A rate. Requests for such approval, if allowable by the funder are to be submitted to the ORA in advance with requestor’s Senior VP approval. AdventHealth Orlando will accept a lower F&A rate when the lower rate is set by the funder.</p>
Definition(s)	<p>Direct Costs: Those costs that can be identified specifically with a particular sponsored project with a relatively high degree of accuracy. Examples of direct costs include salaries, wages, fringe benefits, supplies, travel, and consultants.</p> <p>Facilities and Administrative (F&A) Costs: Costs that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. Terms also used synonymously with F&A include “overhead” and “indirect costs (IDC).”</p> <p>F&A cost recovery: Reimbursement of AdventHealth Orlando for the indirect costs associated with administering grants and research projects that are not specifically allocable to a single project. Such costs may include but are not limited to, utilities, buildings and facilities costs, information technology infrastructure, department and central administrative costs associated with managing externally funded projects. The recovered funds are recognized in a system research fund. F&A cost recovery is not used to reimburse AdventHealth Orlando for Direct Costs.</p> <p>Modified Total Direct Costs (MTDC) is the total direct cost excluding capital expenditures (buildings, individual items of equipment, alterations and renovations),</p>

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and that portion of each sub award in excess of \$25,000 and federal flow-through funds.

Reference(s)

Uniform Administrative Requirements for awards and sub awards to institutions of higher education, hospitals, other organizations, and commercial organizations; and certain grants and agreements with states, local governments and Indian tribal governments, 2 C.F.R.§ Part 215 (2013). Retrieved from http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&tpl=/ecfrbrowse/Title02/2cfr215_main_02.tpl.

Uniform Administrative Requirements for awards and sub awards to institutions of higher education, hospitals, other organizations, and commercial organizations; and certain grants and agreements with states, local governments and Indian tribal governments, 45 C.F.R. §74 (1999). Retrieved from <http://www.hhs.gov/opa/grants-and-funding/grant-forms-and-references/45-cfr-74.html>.

Related Document(s)

Not applicable.

Keywords

F&A, Indirect Costs, IDC, MTDC.