

Splitting F&A Costs Across Schools and Colleges

Definition: *F&A costs (Facilities & Administration costs, also called indirect costs or overhead) are applied to projects to cover the university's costs that are necessary to support research and other sponsored activities but can't be calculated directly for each project. Examples are costs of departmental and central administration, utilities, space usage, etc. USM negotiates an F&A rate with the federal government.*

Typically, F&A is distributed 40% to the general fund, 40% to the Vice President for Research, and 10% each to the school and college conducting the project.

Research and other projects that cross school and college lines can be highly competitive and sponsors frequently encourage a multidisciplinary approach. One potential difficulty though is determining how F&A should be split here at USM should the project be funded.

When multiple schools or multiple colleges are involved, it is up to the Principal Investigator (PI) and co-PI(s) to determine an equitable split in consultation with their directors and deans. Keep in mind that the 20% designated for distribution to the school and college is the portion available to split.

There are a number of approaches that can help with determining an equitable split, or PIs and coPIs can use any other method they agree upon.

- Calculate the split based on relative effort of the PI and co-PI
- Determine a separate budget for each PI and co-PI and calculate a split based on overall dollar amount (if the project is funded, ORA can establish separate project IDs to track each budget, or establish just one overall project ID)
- Agree to a simple percentage such as 50/50

Determining how F&A is to be split is always agreed to at the proposal stage and documented when the proposal is routed for approval.