

New Facilities and Administrative (“Indirect”) Cost Rate

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Marquette University’s Office of Finance has completed negotiations with the U.S. Department of Health and Human Services (DHHS) for the University's Facilities and Administration ("Indirect") Cost Rate.

Facilities and Administration (F&A) costs are those costs necessary to support research and other sponsored projects, but which cannot be readily or easily assigned to individual projects. These include costs related to facilities operations (depreciation, utilities, maintenance, security, etc.), libraries, departmental administration, and general administration. F&A costs are synonymous with "indirect" costs and "overhead.”

For on-campus organized research and instruction the new rate is 51% of Modified Total Direct Costs (MTDC), and for off-campus projects, the rate remains 24% of MTDC. Definitions of MTDC and off-campus projects are provided in the cost rate agreement.

The new rate is effective from July, 1, 2014 through June 30, 2018.

The new rate will be applied to all external applications immediately unless the sponsor has a lower published indirect cost rate. The change will be implemented on awards as follows:

- Existing awards are NOT affected by the rate change: an existing award will use the originally awarded rate throughout the duration of the award period.
- Non-competing continuations are NOT affected by the rate change; a noncompeting continuation will continue to use the rate in effect at the time the initial application was submitted.
- Pending proposals are NOT affected by the rate change; however, it is likely that federal agencies will apply the new rate to any award funded on or after July 1, 2014.
- New, revised, and competing continuation applications submitted from this point forward with a project period beginning after 7/1/14 will use the new rate.

An explanation of the Facilities and Administrative Cost Rate and a copy of the new rate agreement can be found on the ORSP website at:

<http://www.marquette.edu/orsp/FARate.shtml>

Any questions can be directed to the Office of Research and Sponsored Programs at 288-7200.