

## **Policy 16 - Facilities and Administrative Costs/Overhead Receipts Allocation**

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### **Facilities and Administrative (Indirect) Costs**

Facilities and administrative (F & A) costs reimburse the University for laboratory and office space; utilities; administrative services (e.g., purchasing, accounting, research, administration, personnel, security); custodial services; and building, grounds, and street maintenance. In other words, they include all those things essential to support sponsored research which cannot be broken down and directly charged to a specific grant or contract. Facilities and administrative cost percentages are determined from actual cost records through a detailed cost accounting procedure and are audited and approved by the federal government. Although the rates may be revised where the sponsor administratively limits facilities and administrative cost recovery, they are not subject to arbitrary adjustment either by the University or the sponsor. There are organizations which, by regulation, limit facilities and administrative cost recovery.