

Office of Sponsored Research  
The College of Agriculture & Life Sciences, Cornell University

## Facilities and Administrative (F&A) Cost Policy

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### Overview

**In accordance with Cornell and CALS policy, all sponsored projects will be charged full F&A (Indirect) cost rates.**

The current federally determined contract college F&A rate is 55.0% of Modified Total Direct Costs (MTDC) for fundamental research activities and 59.0% for extension activities. MTDC consists of all direct costs minus the following exclusions: equipment costs \$5,000 or greater, subcontract costs in excess of \$25,000, participant support, rental of off-campus property, graduate student tuition, and graduate health insurance. This rate has been negotiated and accepted by the [Federal Government](#).

However, not all agencies, foundations, or other donors agree to this rate. Acceptable F&A rates for some categories of sponsors are shown in the table of [Facilities and Administrative \(F&A\) Cost and IDC Rates](#).

### CALS Minimal F&A Recovery Policy

CALS is required to pay a university charge on all external funds received in CALS accounts. For awards that have an F&A rate that is less than 18%, the unit will be required to pay to the college the difference between 18% of modified total direct costs and the actual F&A recovered. This cost recovery does not represent the full cost that CALS pays to the university, nor the full indirect costs for the research.

### Variances for F&A Rates

Some sponsors use an F&A rate different from the [Exceptions to F&A Policy](#).

If a sponsor prohibits the CALS rate and is not specifically named in the chart above, the PI must determine if they must request an exception to the standard rate from the Senior Associate Dean. The PI should discuss their situation with their Department Business Administrator. It will need to be balanced against initiatives (renovations, equipment, positions, bridging funds) desired by the department as a whole.

When budgeting proposals using reduced F&A rate, as many "direct" administrative costs as allowable should be included in the project budget to receive funding from the sponsor. CALS OSR can advise which direct costs may be allowable. This is particularly important for foundations and other sponsors with relatively low allowable F&A rates.

**Instructions for Requesting Variances:** Please see **Facilities and Administrative (F&A) Cost Procedure**, below.

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## **Facilities and Administrative (F&A) Cost Procedure**

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### **STEP 1: Review Allowable Facilities and Administrative (F&A) Cost Rates**

A. Responsible Party: Proposal Principal Investigator (PI)

B. Visit this link to determine if F&A is posted for your sponsor: [Facilities and Administrative \(F&A\) Cost and IDC Rates](#)

1. If your sponsor is posted, you **MUST** proceed with an application or contract budget using the rate stated. No further action is needed.
2. If your sponsor is not posted, proceed to STEP 2; below.

### **STEP 2: Determine if SrAD F&A Approval is required**

A. Responsible Party: Proposal Principal Investigator (PI)  
CALs Grant & Contract Officer, GCO (assisting PI)

B. Refer to F&A decision tree:

3. If "APPROVAL REQUIRED" proceed to Step 3, below.
4. If "NO APPROVAL REQUIRED" follow these instructions:
  - i. Determining "NO APPROVAL REQUIRED" does not preclude a PI from meeting the CALS Minimum Cost Recovery requirement. Refer to the chart for your specific situation, and be mindful that in some cases where approval is not required, minimum cost recovery will still be charged to the Department.
  - ii. PI **MUST** confirm with their Department Business Administrator that unrestricted funds are available or a budgeting plan is in place to meet the recovery requirement.
  - iii. A copy of the sponsor's F&A policy **MUST** be provided to the CALS GCO.

**STEP 3: Request F&A approval from the Senior Associate Dean (SrAD)**

- A. Responsible Party: Proposal Principal Investigator
- B. Draft an email which includes the following seven items:
1. PI Name
  2. Sponsor Name
  3. Project Title
  4. *specific* Link or PDF copy of Sponsor F&A policy
  5. Budget, if available (or anticipated budget amount)
  6. Collaborators/partners (internal and external)
  7. Brief description of project (1-2 sentences)
- C. Send this email to [IDC-cals@cornell.edu](mailto:IDC-cals@cornell.edu)
- D. The following three people must be copied on the request:
1. Department Chair/Director
  2. Proposal Support Staff (if known)
  3. Department Finance Manager and/or Business Administrator

**STEP 4: Determination Notification**

- A. Responsible Party: CALS Senior Associate Deans (SrADs) *or*,  
CALS Grant & Contract Officer (GCO) on behalf of SrADs
- B. The CALS GCO (on behalf of the Senior Associate Dean) will respond to all requests within 3 business days
- C. The response will include one of two determinations:
1. **Permission to proceed** with proposal provided specific terms are met. These terms (including any cost recovery terms) will be included in the response.
  2. **Further discussion warranted/required.** Instructions and/or questions will accompany the response.
- D. The following four people will be copied on the response:
1. PI
  2. Department Chair/Director
  3. Proposal Support Staff (if known)
  4. Department Finance Manager