Preparation the Budget: F&A Costs

- The use of the appropriate F&A cost rate is determined by the type of sponsored activity (e.g., research vs. instruction proposals), start date, and location of the proposed project.

- For Non-Federal applications, Yale will follow the sponsors published Indirect Cost Rate
  - Reviewed in conjunction with Policy 6002. Application of Facilities and Administrative Rates and Costs Recovery
  - This does not apply to ‘For Profit’ sponsors

Note: OSP’s Institutional Information includes Facilities & Administrative (F&A) Cost Rates.
## Proposal Preparation: F&A Cost Rates

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<tbody>
<tr>
<td>Organized Research On-Campus</td>
<td>66.5%</td>
<td>67.5%</td>
<td>67.5%</td>
</tr>
<tr>
<td>Research DOD Contract On Campus</td>
<td>69.9%</td>
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<tr>
<td>Organized Research Modified On Campus</td>
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<tr>
<td>Organized Research Off Campus</td>
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<tr>
<td>Organized Research CMHC</td>
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<td>Other Sponsored Activities On Campus</td>
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<td>Other Sponsored Activities Off Campus</td>
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<td>Organized Research VA in West Haven</td>
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<tr>
<td>Instruction On Campus</td>
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<tr>
<td>Instruction Off Campus</td>
<td>26.0%</td>
<td>26.0%</td>
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</table>

**Note:** Effective 7/1/2022 until amended provisional rates apply (use same rates as those cited for fiscal year ending 6/30/2022).
Preparing the Budget: F&A Costs (continued)

- The F&A cost rate is usually expressed as a % of the direct cost (DC) budget. Yale’s F&A Rate Agreement does not permit the charging of F&A on certain budget items. This is referred to as a Modified Total Direct Cost (MTDC) base.

- The MTDC base excludes:
  - Equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of $25,000.
  - MTDC (DC less above exclusions) x F&A rate = the amount budgeted for F&A costs
Preparing the Budget: Applying the F&A Rate

- $250,000 Total direct costs
- 7,500 Equipment
- 40,000 Subaward total for year one
+ 25,000 Allowable subaward costs

$227,500 MTDC base for calculating F&A

x .675 Yale’s F&A rate is 67.5%

$153,563 F&A
+250,000 Direct costs

$403,563 Total funds requested
The use of the appropriate F&A rate is determined by:

A. Type of work being performed
B. Start date
C. Location of proposed project
D. All of the above

The correct answers is: D. All of the above
Which of the following individuals are required to approve proposals in PD for submission to OSP?

A. Principal Investigator
B. Department Business Office (DBO)
C. Department Chair
D. Principal Investigator and Department Business Office (DBO)
E. All of the above

The correct answer is: D: The Principal Investigator and DBO