

INDIRECT COST RECOVERY OR FACILITIES ADMINISTRATION (F&A)

Southwestern University will obtain indirect costs to the maximum extent allowed by the sponsor. The proposal guidelines should be consulted to determine the allowable rates for a specific grant. The current indirect cost rates issued to Southwestern University from the Department of Health and Human Services are:

- 45% of Modified Total Direct Costs *for on-campus research
- 23% of Modified Total Direct Costs * for off-campus research

*Modified total direct costs consist of all salaries and wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract. Modified total direct costs exclude equipment, capital expenditures, charges for patient care, student tuition remission, rental costs of off-site facilities, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the Business Office.

Any deviation from these approved rates must be requested and approved by the Vice President for Finance and the Dean of Faculty, at a minimum of 30 days prior to the proposal deadline. PIs may request up to 25% of IDCs be used to cover indirect costs associated with grant administration. Such request should be submitted to and approved by the VP for Finance, and the Dean of Faculty.