



**Effective:** 6/1/2019  
**Last Revised:** 2/12/2024

**Responsible University Office:**  
*Office of Sponsored Programs  
Finance Office*

**Responsible University Administrator:**  
*Assistant Vice Chancellor for Research and Creative Activity*

**Policy Contact:**  
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# Facilities and Administration (F&A) Distribution, Expenditure, and Exemption Policy

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## Scope

All faculty, staff, and administrators in receipt of Facilities and Administrative (F&A) funds via grants and contracts, as well as all parties submitting external request for funds.

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## Policy Statement

This policy regulates the distribution model of all earned facilities and administration funds, the spending of these funds, and the allowable exemptions for reducing the F&A rate charged.

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## Reason for Policy

1. Clear guidance for F&A distribution is needed so that Colleges, Departments, and Principal Investigators (PIs) are aware of how funds are divided among associated entities from applicable contracts and grants.
2. Clear guidance for allowable expenditures from F&A funds to ensure compliance with federal, state, and university regulations.
3. Clear guidance for when it is allowable to waive or reduce the F&A rate charged on external funding requests.

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## Procedures

**Earning Procedures:** UNK negotiates an F&A rate with the U.S. Department of Health and Human Services, our federal cognizant agency. The F&A rate effective for the period July 1, 2021 through June 30, 2025 is 50.80% of salaries, wages, and benefits.

SAP automatically calculates and posts F&A expense to a grant on the last day of the month based on the F&A rate included in the grant agreement. Billing invoices paid by the granting agency include the F&A expenses.

**Distribution Procedures:** Prior to submission of requests for external support, the PI(s) must complete a NuRamp OSP module form for a new project. Within this form, they must declare the personnel allocation of F&A as a percentage (total 100%) on page 2 of the form. This form will be used in the F&A distribution if awarded.

At the end of each fiscal year, the Finance Office calculates the total F&A funds earned by the campus. In the following term, these funds are distributed according to the following model:

- First \$20,000 of all F&A to the campus general operating budget
- 50% of the remainder to the Office of Sponsored Programs and Research Development
- 16.5% of the remainder to the applicable Dean's Office
- 33.5% of the remainder to the applicable Department or Center who has the authority to establish the distribution model for the PI(s) share.

**Expenditure Procedures:** All funds must be expended in accordance with all university policies and procedures. Furthermore, expended funds from the PI share must be used for research (or creative activity) development purposes. Each unit and PI in receipt of F&A funds must establish a cost center with an IDC (indirect cost) distinction through the Finance Office.

Unallowable expenditures for the PI share: Faculty salary support, entertainment costs, or any expenditures not related to research (or creative activity) development.

Allowable expenditures for PI share include: Laboratory supplies, conference and collaboration travel, research assistants, equipment, and other research development expenditures.

**Exemption Procedures:** All external grant applications and awards must include UNK's federally negotiated indirect rate unless the agency and/or request of applications includes specific language restricted or not allowing such funds. If an organization does not have such language publicly available, written documentation of such a policy must be provided and uploaded into the NuRamp OSP module via the OSP form for the project on page 4.

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## Definitions

Facilities and Administration: Also known as, indirect costs and overhead costs, are the expenses associated with the normal operations of the university and/or laboratory that are generally funded by the campus general operating budget and not charged as line items in an external funding request. Per Office of Management and Budget (OMB) policies, a federally approved rate is charged to all external requests for funds to recoup these expenses.

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## Additional Contacts

<b>Subject</b>	<b>Contact</b>	<b>Phone</b>	<b>Email</b>
Distribution timing and amounts	Debbie Tvrdy	308-865-8880	tvrdyds@unk.edu

## Forms

Cost Center form for new F&A accounts: <https://sapphire.bravais.com/document/1862/download>

Sponsored Program Submission Form: <https://nuramp.nebraska.edu>

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## Related Information

Federally negotiated approved F&A Rate:

[https://www.unk.edu/academics/sponsored-programs/\\_files/indirect-cost-rate-notice-2021.pdf](https://www.unk.edu/academics/sponsored-programs/_files/indirect-cost-rate-notice-2021.pdf)

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## History

First formal policy.