Application of University Indirect Costs to Subawards

This guidance implements the agreement of the UCSF Costing Policy Group regarding the application of indirect costs when multiple subawards are issued to one institution under a single award. This guidance applies to all proposals and awards (federal and non-federal) which apply a MTDC methodology to subawards.

UCSF’s Facilities and Administration (F&A) rate is applied to the Modified Total Direct Cost Base (MTDC). See http://osr.ucsf.edu/fa-rates. MTDC is the Total Direct Cost less expenditures for:

1. Equipment or software program over $5,000 or more
2. Alternations and Renovations
3. Patient Care Costs
4. Off-Campus rental space
5. Tuition & Fee Remission
6. Scholarships and fellowships: Financial aid (stipends) paid directly to University students
7. Subcontract amount to each non-UC institution in excess of the first $25,000
8. Subcontract to another UC campus

There are occasions when UCSF may need to issue multiple subawards, under one prime award, to a single institution. Examples include:

- Program Project/Center Grants (P series),
- Research Project Cooperative Agreements (U01), or
- Other programs that fund discrete projects, such as when the university administers pilot project funding.

When there are multiple subcontracts to the same institution on the same proposal/award, EACH subcontract (i.e. each SC#) will be assessed F&A for the first $25,000 during the competitive project period. In the event a subaward requires substantial re-negotiation during the competitive project period, a new subaward agreement may be issued and will be assessed F&A. UCSF will issue one subcontract to the institution when the award limits F&A to once per subcontractor institution.

For proposals that include a to-be-determined allocation of subcontract funding (e.g., future competitive pilot/project/fellowship awards), proposal budgets should assume that each distinct subaward will incur applicable indirect costs. The PI should provide a best estimate of the number of subcontracts and OSR will budget F&A on the first $25,000 of each subaward planned. To avoid under budgeting F&A, best practice would be to budget for the higher number of anticipated subcontracts within reason.

For any exception to this application of indirect costs, the RSC should consult with the OSR Subcontract Manager prior to proposal submission.

For full information on the rates and exclusions, please see: http://osr.ucsf.edu/fa-rates.

The UCSF Costing Policy Group is comprised of leadership from the Office of Sponsored Research, Contracts & Grants Accounting, and Budget & Resource Management.