**UC Campus to Campus Indirect Cost Application Job Aid** Job Aid: Dec 21, 2021

This job aid has been created to clarify indirect cost application when UCSF and another UC campus are working together on a specific activity requiring significant time and resource investment.

Base Principles: UC campuses are considered internal to each other for F&A purposes. MOU's or other written agreements are recommended to assure scope and value terms are clear when working with another UC campus

[Reference: Guidelines and Requirements for Funds Received from Extramural Sources](https://brm.ucsf.edu/emf/guidelines-requirements-funds-received-extramural-sources)

[UC Sister Campus Exception Link](http://osr.ucsf.edu/fa-rates)

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|  | **Activity** | **OUTWhen UCSF is Prime - Requesting Services from another UC campus** | **INWhen UCSF is the Sub - Providing Services to another UC Campus** | **Definition & Example** |
| 1 | **Sub Contracts/ Sub Awards (Where Original source of funds are external)(A9)****Examples are for Federal support, for non-Federal extramural support, refer to the Sponsor’s policy.** | UCSF is subcontracting to another UC campus UCSF waives recovery of F&A related to the subcontracted portion. In contrast, when subcontracting to a non UC campus F&A is recovered on the first $25K of the subcontracted costs for each competitive project period. Note: When subcontracting to another UC campus with pure UCSF funds this category is not applicable, consider establishing an MOU. | When UCSF is subcontractor for another UC campus UCSF collects total applicable F&A on Modified Total Direct Cost (MTDC) at the appropriate UCSF indirect cost rateNote: When another UC campus is sponsoring the work and no outside funds are involved this category is not applicable, consider establishing an MOU. | A contract agreement **to collaborate with a prime awardee** to perform a specified part of the scope of work *of a sponsored contract or sponsored grant*. Applicable terms and conditions from the prime award are flowed down to the subrecipient party. **Example: i) An award where UC Berkeley has received a prime NIH research grant, and then passes a “sub-award” to UCSF to perform a portion of the research project.**  |
| 2 | **Recharges (internal or internal and external users)(F1 & F2)** | When standard products or services are received by UCSF from another UC campus no F&A is paid as business is considered internal to the UC institution. | When products or services are provided to another UC campus from a UCSF Recharge no F&A is collected as business is considered internal to the UC institution. | Mechanism for charging INTERNAL (defined as able to be recharged via a journal) or INTERNAL and EXTERNAL customers for standard products or services. Recharges may not require Institutional Review Board (IRB) review and approval or involvement of Intellectual Property rights claims. Function like non-profit businesses generating sufficient income to support the cost of operating the activity. **Example: i) Recharges for UCB use of a specialized microscope at UCSF based on pre-set hourly rates.**  |
| 3 | **Memorandum of Understanding – Collaborative Agreement for non-research activities (E3)** | UCSF will expect to pay the full direct costs of receiving a product or service from another UC campus. Per agreement however, no F&A is expected to be included in the cost. In contrast, when collaborating with an outside, non-UC entity full cost including F&A is appropriate to see as a component of the cost due. | UCSF may recover full direct costs, however per agreement, no F&A will be charged when working with a sister UC campus. In contrast, when collaborating with an external non-UC entity Full cost including F&A is recovered. | A non-research agreement where UCSF agrees to collaborate with or assist another institution. The agreement is normally non-monetary. Usually the agreement involves sharing space or leveraging expertise; e.g. having UCB personnel occupy space at UCSF and collaborate with UCSF personnel. Parties often derive a significant non-monetary benefit such as space, sharing of expertise etc. The agreement may be called a Memorandum of Understanding (MOU) or Letter of Understanding (LOU). **Example: A specific unit at UCSF agrees to develop a web site and provide web interface assistance with a complementary unit at UCSD.** |

**FAQ Option:**

**Q: What F&A Rate do I charge when the receiving a sub-award from another UC Campus?**

**A: First determine if the other campus has received external funds to do this work, and is subcontracting to UCSF or if the other campus is doing the work with purely internal funds.**

**When the other campus received an award to complete the work from an external source and is subbing out a portion of the project, UCSF collects total applicable F&A on the full eligible direct costs at the appropriate UCSF indirect cost rate (ICR).**

**Example:**

**If a Federally-supported, on-campus research project, the full Organized Research Rate for the applicable year will apply. (**ref: <http://osr.ucsf.edu/fa-rates>; **58.5% for 2015-16). If the research project is supported by non-Federal extramural funds, check the prime sponsor’s policy for allowable indirect costs.**

**Alternatively, it sometimes happens that the sister UC campus is sponsoring the work and no outside funds are sponsoring the activity. It this special case, the transaction is considered internal and no ICR should be charged. In the case where the sister campus is sponsoring the activity, consider establishing an MOU so both parties are clear on what to expect from the other.**

**Q: What F&A Rate is applied when contracting with another UC for a recharged activity?**

**A: When standard products or services are received by UCSF from another UC campus, or UCSF provides standard products or services to a sister campus no F&A is paid as business is considered internal to the UC institution.**

**Q: What F&A Rate is applicable when entering into a collaborative venture with a sister UC campus?**

**A: Determine if the activity is sponsored from an external source or not. If sponsored from an external source treat as a subcontract and charge the appropriate full F&A rate according the type of activity and sponsor. If sponsored from campus or UC funds, while full direct costs should be recovered and campus’s made whole, no F&A should be included in transferred costs.**