



LONG ISLAND UNIVERSITY

GRANT FACILITIES AND ADMINISTRATIVE COST POLICY

PURPOSE

This policy establishes guidelines for the recovery, distribution, and use of reimbursements of Indirect Costs (IDC), also known as Facilities and Administrative Costs (F&A), from externally funded grants, contracts, and cooperative agreements, in order to ensure compliance with the United States Office of Management and Budget Circular (OMB) 2 CFR 200.

Long Island University (LIU) endeavors to recover from every sponsored award the full cost of the facilities and administrative services which support it. However, LIU will honor a lower rate if it is mandated by the sponsor and applied to all grants provided by that funder. Approval for use of F&A rates lower than the negotiated rate is required by the Office of Sponsored Projects (OSP) prior to submission.

The University negotiates federal indirect cost rates with the Department of Health and Human Services/Cost Allocation Services (DHHS/CAS) every three years. The most recent indirect cost rate agreement can be found on the Office of Sponsored Projects website.

STATEMENT OF POLICY

It is the University's policy to request full funding of indirect costs on all grant and contract proposals.

Net F&A revenues accrue to the University as direct award expenditures are incurred and are allocated among the University, Office of Sponsored Projects, and College/School.

PROCEDURES

For additional Standard Operating Procedures and associated with this Policy, refer to:

[Long Island University Standard Operating Procedure- Grant Facilities and Administrative Costs \(SOP LIU F-B-1017\)](#)

DEFINITIONS

- **F&A:** Facilities and Administrative Costs are real costs incurred by the University that cannot be identified with and charged directly to a project, program, or activity with any reasonable degree of accuracy or without an inordinate amount of accounting. Examples include operation and maintenance of buildings and grounds, utilization of equipment and libraries, and administration of projects or programs at the institutional, college, and department levels.

POLICY TYPE: FINANCE