



SAINT LOUIS UNIVERSITY

Procedure for Determining Allowable Facilities and Administrative (F&A) Rates on Outbound Subawards and Contracts (Where SLU is the Prime Awardee and Subcontracts to an External Entity)

Procedure Number: PRA-03

Classification: Research

Responsible University Office: Vice President for Research

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PROCEDURE

The University typically requires a current Facilities and Administration Rate agreement to be in place in order for a subawardee to be reimbursed for F & A costs on a subagreement, subaward, or subcontract.

Non Profit Awardees

When a non-profit subawardee has a negotiated F&A rate with the federal government, that entity may charge their full, approved rate on a subcontract with SLU, as long as this is allowed by the sponsor and SLU is also receiving its full F&A rate.

In a case where the University has a non-profit subawardee that requests indirect costs but has no official negotiated rate agreement with a federal agency, the University may deem it appropriate to pay a maximum of 10% of MTDC to that subawardee for F & A costs. A sound business reason should exist and the request must be submitted to the Director of the Office of Research Development and Services (ORDS) and approved by the Vice President for Research. The entity may not charge the award for items included in F & A (office supplies, accounting fees, copies, administrative salaries, etc...) and recover F&A on those items.

For- Profit Awardees

The University generally will require for-profit awardees to have a current Facilities and Administration Rate agreement before it will agree to pay F & A recovery on an outgoing award. Evidence of this agreement should be provided to ORDS. In the absence of such agreement, SLU will not pay F&A (AKA overhead) to a for-profit entity.

It some cases, it may make business sense for the University to agree to pay for-profit entities F&A recovery. This may be appropriate:

- due to the nature of the work,
- because of alignment with the mission of the University, or
- for basic equity due to requirements contained in the scope of work.

Where deemed appropriate, the University may reimburse "For-Profit" subawardees without a negotiated rate for Facilities and Administration costs a default rate of 10% Modified Total Direct Costs (MTDC). The request must be submitted to the Director of ORDS and approved by the Vice President for Research. The entity may not charge the award for items included in F & A (office supplies, accounting fees, copies, administrative salaries, etc...) and recover F&A on those items.

For-Profit Hospitals

For-Profit hospitals may submit their most recent Medicaid report to ORDS for an appropriate rate to be determined and paid.

APPROVAL SIGNATURES

This procedure has been approved by:

Raymond C. Tait, Ph.D.

June 26, 2014

Vice President for Research
Saint Louis University

Date

DOCUMENT HISTORY

EFFECTIVE DATE	VERSION NUMBER	MODIFICATION
July 1, 2014	1.0	New Document