

# **Responsibility for Negotiation of Facilities and Administration and Fringe Benefit Rates**

## **Executive Summary**

Sponsored Project awards to the University include funds to cover both those expenditures specifically assignable as direct costs, such as the salaries of faculty and staff, supplies, travel and similar costs, as well as the fringe benefit costs associated with the salaries directly charged to sponsored projects and the indirect costs (known as Facilities and Administration, or F&A costs) associated with carrying out those projects. Neither the fringe benefit nor the F&A costs can be easily assigned specifically to sponsored projects, and accordingly, the method by which they are charged to grants is through the use of a "rate" which is negotiated with the Federal government.

It should be noted that while this Policy is now being formally published in the Administrative Policy Library, the underlying provisions of the policy have been in effect for many years

## **Reason(s) for the Policy**

To formally designate responsibility for carrying out the tasks associated with establishing both the University's Facilities and Administration (Indirect Cost) and Fringe Benefit Rates, which are contained in a "Negotiation Agreement" signed by authorized representatives of both the University and the Federal Government.

## **Primary Guidance to Which This Policy Responds**

OMB Circular A-21: [Principles for Determining Costs Applicable to Grants, Contracts and Other Agreements with Educational Institutions.](#)

## **Responsible University Office**

Office of the Controller

## **Contacts**

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## **Revision History**

Not applicable

## **Who is Governed by This Policy**

Faculty and staff responsible for the administration of Sponsored Projects. Staff in administrative offices such as Facilities, Human Resources, CUIT, Budget. Staff in various academic units whose costs are included in rate calculations Controller's Office staff

### **Who Should Know This Policy**

- All persons governed by this Policy {see above}
- Departmental Administrators and other departmental staff
- Deans and Departmental Chairs
- Office of Research Administration staff
- Office of the Controller staff

### **Exclusions & Special Situations**

None.

### **Policy Text**

The Executive Vice President for Finance has final authority over the negotiation of both the Fringe Benefit and Facilities and Administration rates. The Executive Vice President has assigned the responsibility for developing the proposals used for the purpose of negotiating these rates and for engaging in such negotiations to the Controller's Office. These proposals require the gathering and interpretation of a significant amount of supporting data, and accordingly, the Controller's Office often requires the assistance of various offices in carrying out this responsibility. It is the obligation of both administrative and academic offices to respond to these needs on a timely basis, in order that the University completes the necessary documentation so that these rates can be negotiated in accordance with Federal requirements.

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