

# Calculating Facilities & Administration (F&A) Costs

## DIRECT COSTS

Direct Costs reflected in the budget are costs that benefit the specific project, are necessary to complete the project, and are charged directly to the project. Direct Costs include:

- Personnel
- Equipment
- Travel
- Participant Support Costs
- Materials & Supplies
- Consultant Costs
- GSR Fees and Tuition
- Subawards
- IRB Fees
- Patient Care Costs
- Rental/Lease Costs
- Facility Recharges, etc.

The [Federally Negotiated Indirect Cost Rate Agreement \(NICRA\)](#), observed by UC Davis when possible, uses Modified Total Direct Costs (MTDC) as the base when calculating indirect costs. At UC Davis, MTDC excludes the following direct costs from indirect cost calculations:

- Equipment
- GSR Fees & Tuition
- Rental/Lease Costs of Off-Site Facilities
- Non-UC Subaward costs beyond the first \$25k of each subaward
- Subawards and service agreements to other UC Campuses\*
- Participant Support Costs
- Capital Expenditures
- IRB Fees (if the sponsor is from Industry only)
- Patient Care Costs
- Scholarships/Fellowships

*\*Subawards & service agmts to other UC campuses are always excluded from the F&A base regardless of the base type.*

## Indirect Costs

While included as part of most project budgets, indirect costs are associated with the general operation of UC Davis and cannot be readily assigned to that specific project. For instance, funding to support maintenance on an HVAC system may improve air quality in many laboratories and offices.

## F&A COST FORMULAS

Based on **Modified Total Direct Costs (MTDC)**:

1. Calculate the Total Direct Cost and subtract the excluded items listed above:
  - a.  $TDC - [\text{excluded items}] = \text{MTDC Base}$
  - b.  $\text{MTDC Base} \times \text{F&A rate} = \text{F&A Costs}$

Based on **Total Direct Costs (TDC)**:

1. Indirect costs based on TDC do not include subawards or service agreements to other UC campuses.
  - a.  $TDC - [\text{subawards \& service agreements to UC campuses}] = \text{TDC Base}$
  - b.  $\text{TDC Base} \times \text{F&A rate} = \text{F&A Costs}$

Based on **Total Costs (TC)**:

- Used when the sponsor states that only a certain percentage of Total Project Costs can be charged for indirect (F&A) costs. As with TDC, do not include subawards or service agreements to other UC campuses.
1. If **direct costs are known**:
    - a.  $TDC - [\text{subawards \& service agreements to UC campuses}] = \text{TDC Base}$
    - b.  $[\text{TDC Base} / (1 - \text{F&A Rate})] \times \text{F&A Rate} = \text{F&A Costs}$
  2. If **only the total budget limit is known**:
    - a.  $\text{Total Budget Limit} \times \text{F&A Rate} = \text{F&A Costs}$
    - b.  $\text{Total Budget Limit} - \text{F&A Costs} = \text{Direct Costs}$