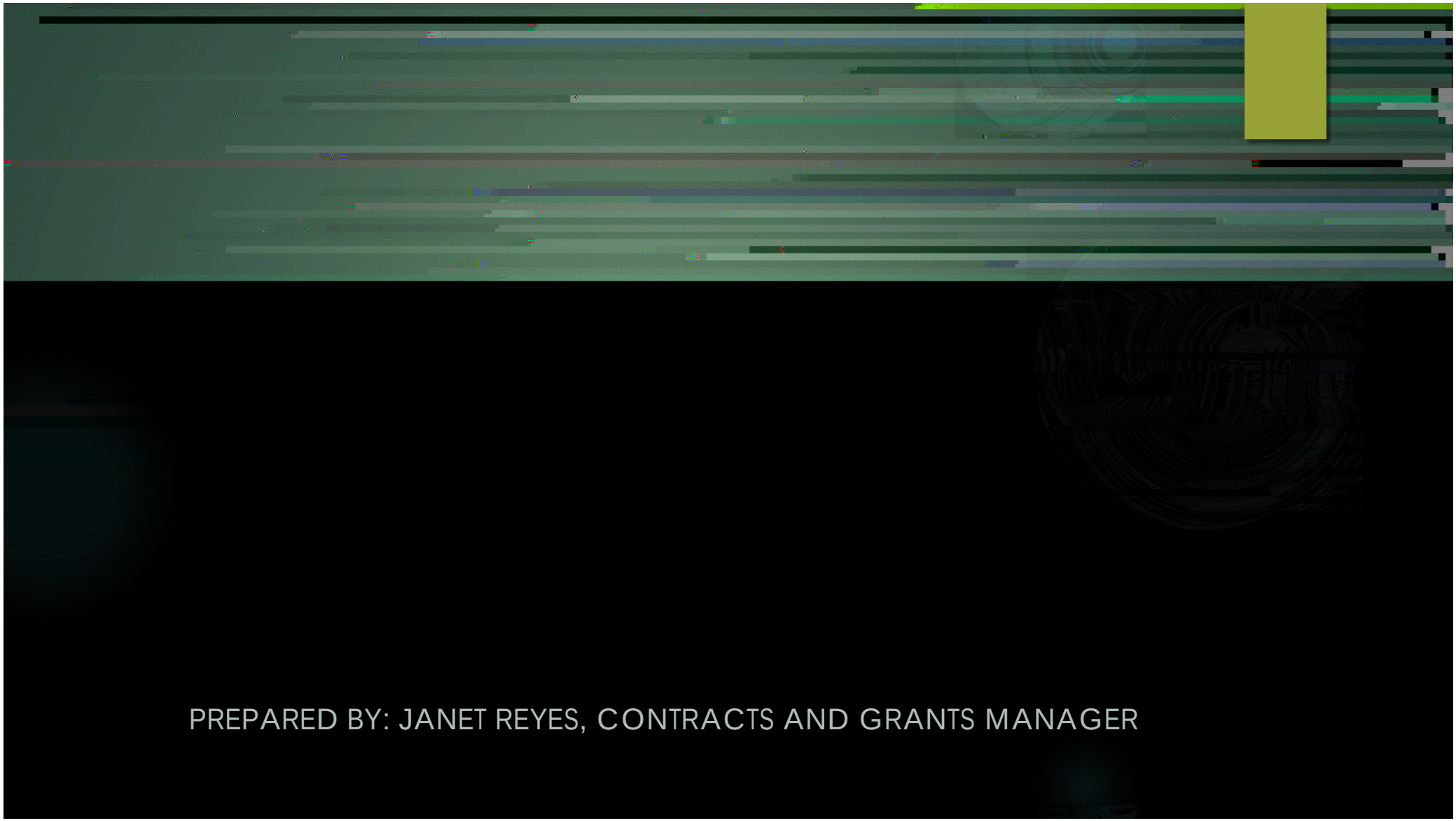
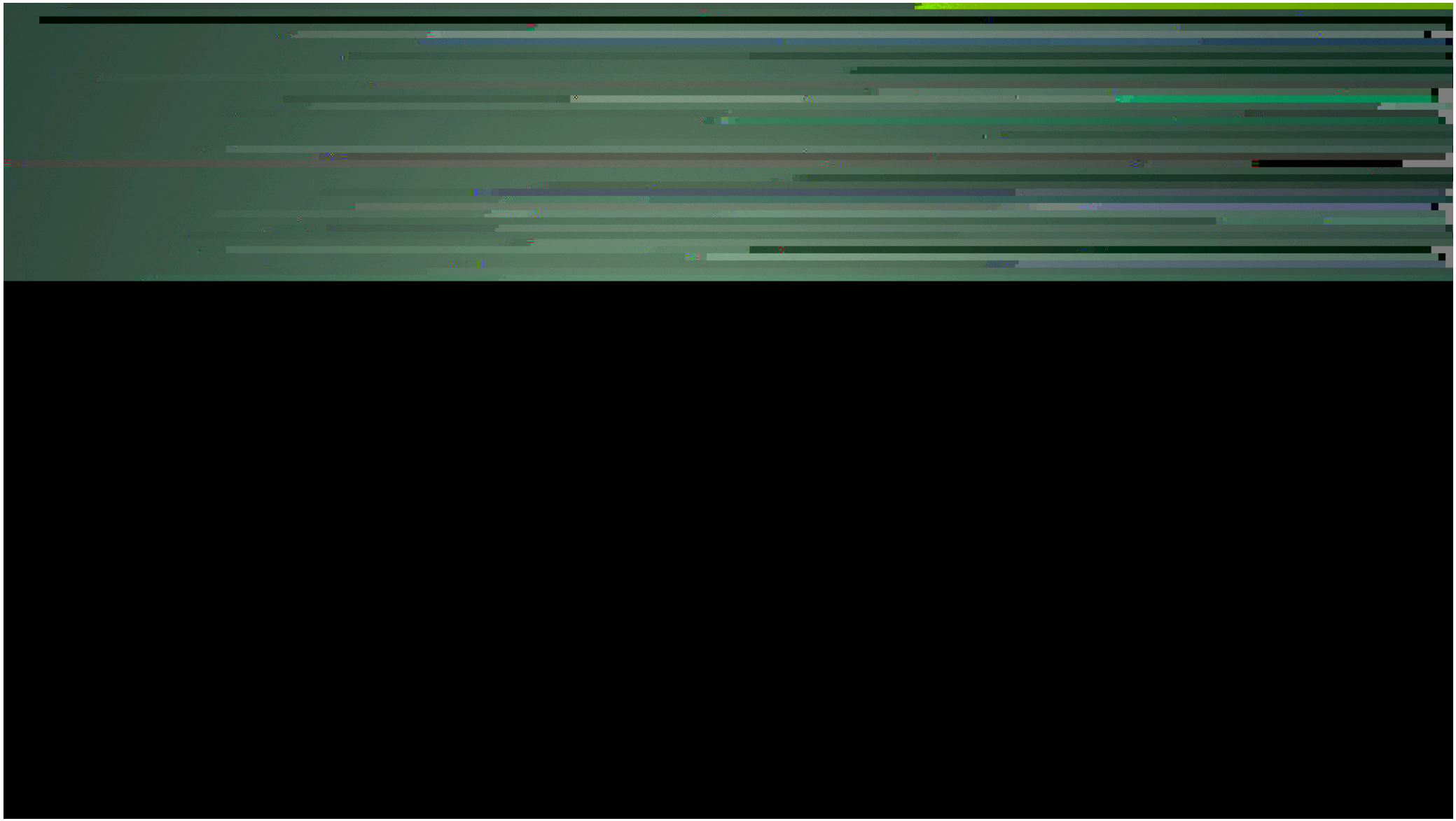


PREPARED BY: JANET REYES, CONTRACTS AND GRANTS MANAGER



Why it matters:

When you go to the store and think “I have $100 to spend on groceries,” you have to keep in mind how much of that $100 you can spend versus how much goes to sales tax. If you are buying soda, for example, there are taxes applied, so even though you have $100, you cannot put $100 worth of items in your cart or you won’t have enough funds. Indirect costs work the same way. You must hold back enough to cover those costs.

What do indirect costs pay for?

Utilities, such as water and electricsinesse

Indirect costs are any costs that cannot be directly identified as belonging to a sponsored project but are necessary and benefit the project and other activities. These expenses are typically referred to as the cost of doing business.

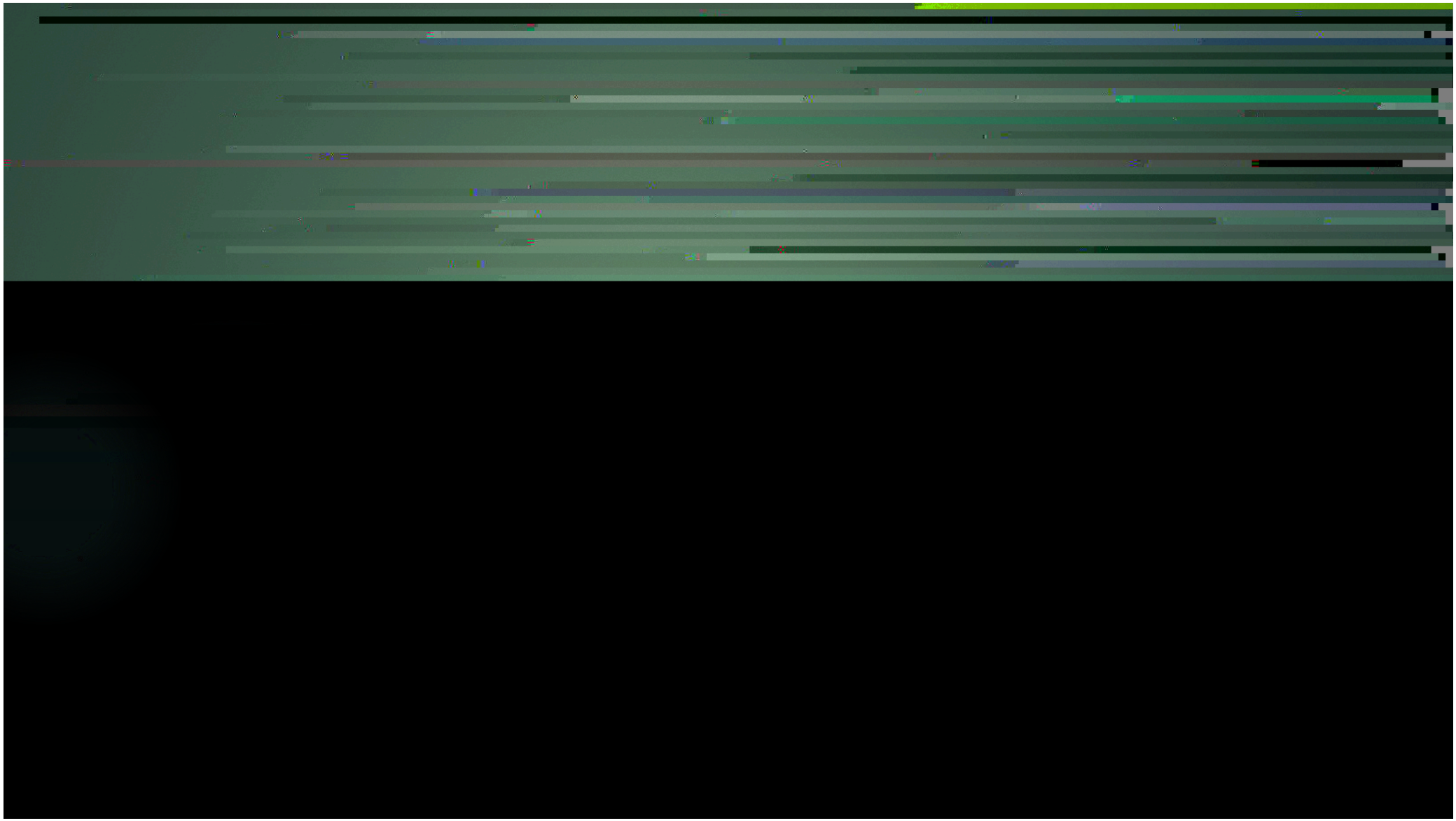
TDC vs MTDC

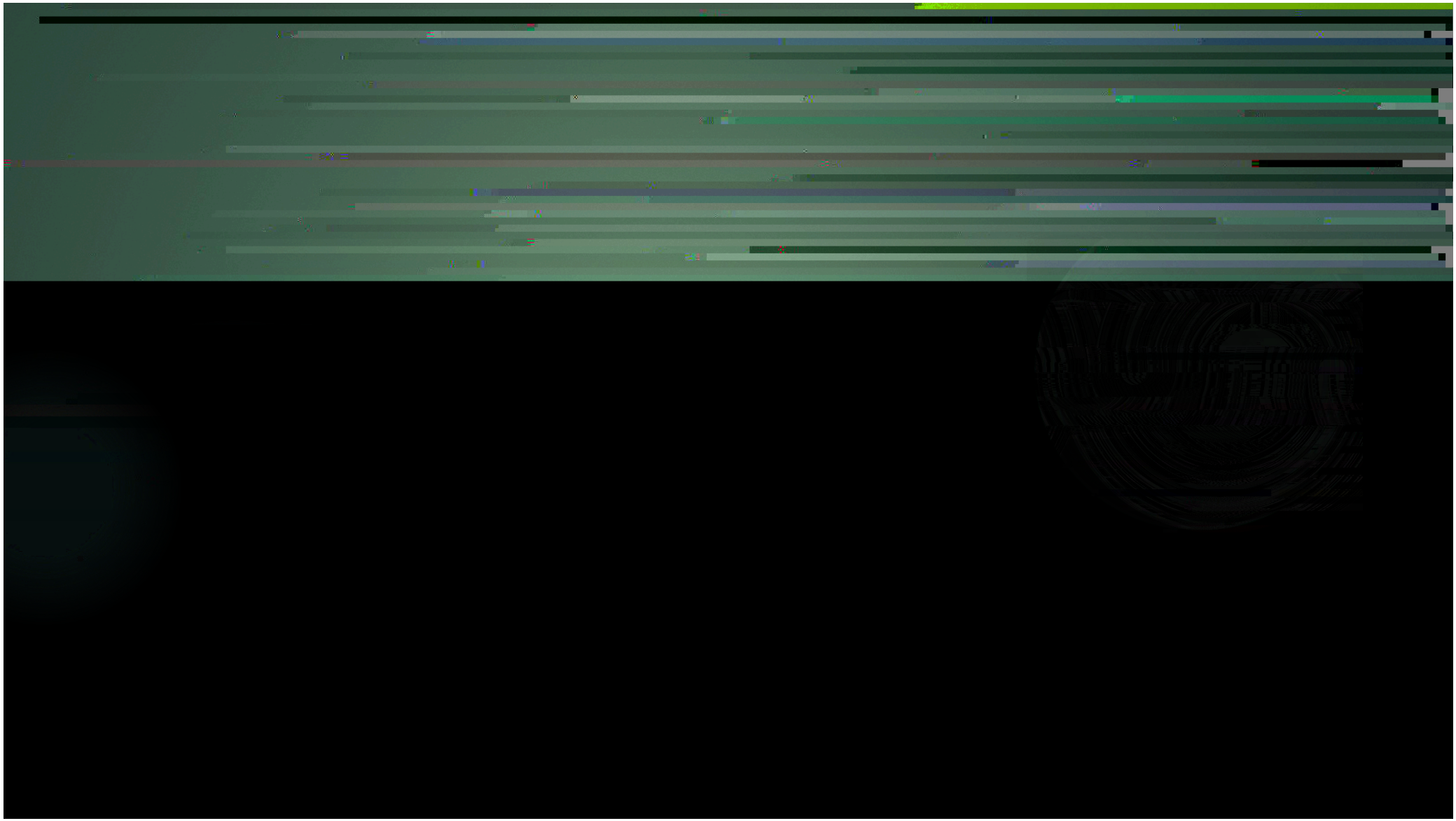
TDC: Total Direct Costs
MTDC: Modified Total Direct Costs

These terms determine the base for what is “taxable” for your project.

A project with a TDC base, typically has a very low indirect cost rate so, therefore, everything earns F&A or is “F&A bearing.”

A project with a MTDC base typically has a negotiated indirect cost rate and adheres to USF’s DHHS agreement on what will earn F&A. Some items are F&A bearing while others are not. These categories are defined in our indirect cost rate agreement with DHHS.





The importance of monitoring expenses for F&A

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H d e acc f ec ed F&A a ec c a

Cost Reimbursable-TDC

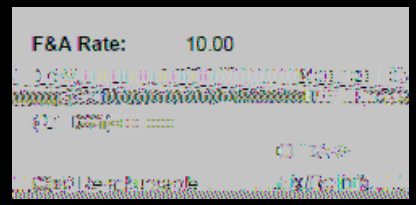
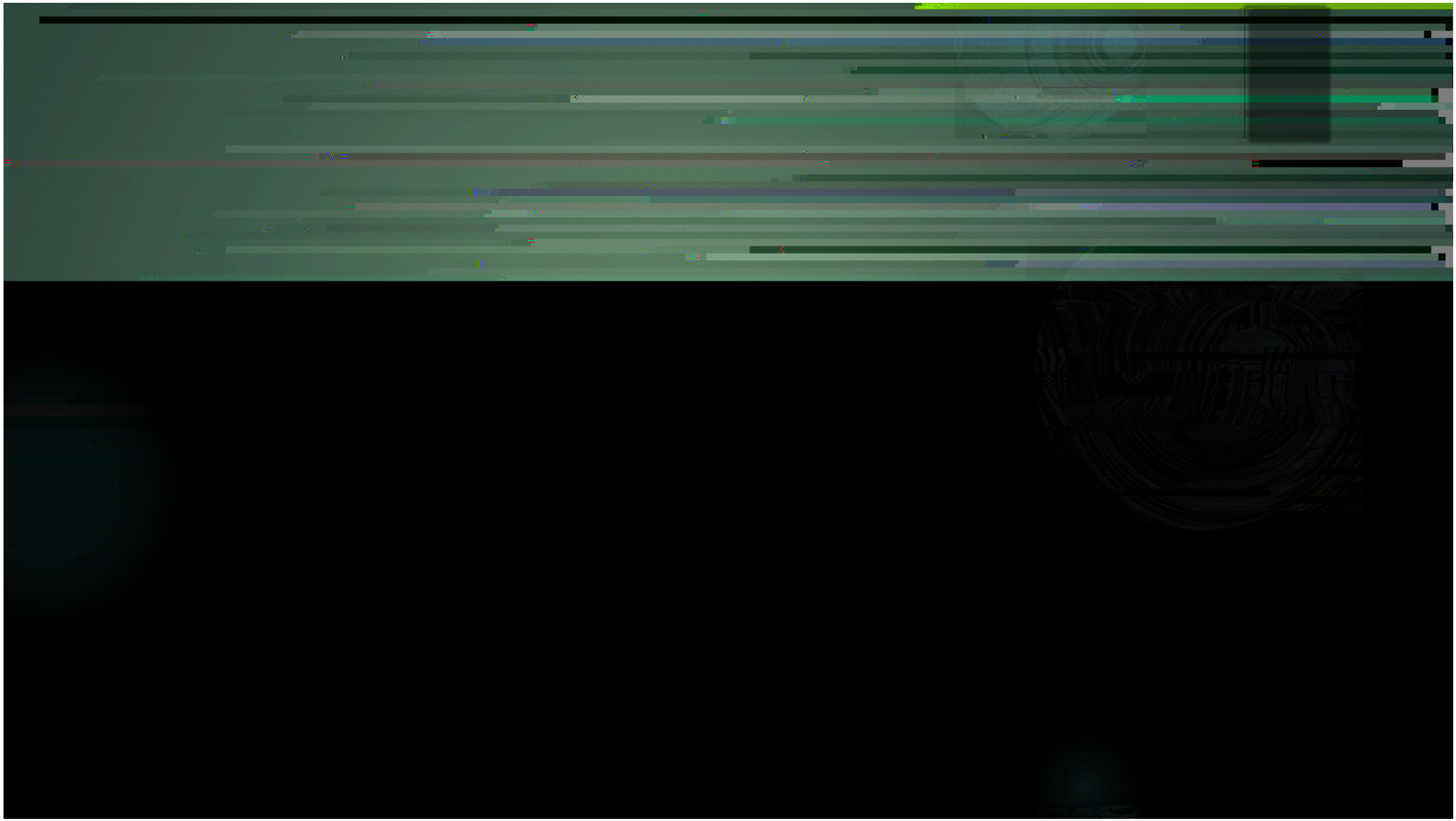
Projected expenses x F&A rate

Cost Reimbursable-MTDC

Projected expenses less tuition, subcontracts over $25k, student stipends/scholarships, and rental space x F&A rate

Fixed Price

If a project is fixed price (not fixed price schedule), you can anticipate that RFM will take the entire budgeted amount for F&A. Therefore, you can expense the entire amount budgeted as a projection.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