MONTANA BOARD OF REGENTS OF HIGHER EDUCATION
Policy and Procedures Manual

SUBJECT: RESEARCH AND PUBLIC SERVICE
Policy: 404 – Facilities and Administrative Rate
Adopted: May 30, 1979; Revised: November 18, 2011

Board Policy:
A. The Facilities and Administrative (F&A) rate for the units of the Montana University System (MUS) shall be as follows:
   1. Federally sponsored projects for research, instruction, and other sponsored activity (grants, or contracts, cooperative agreements), per 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), shall use the federally negotiated rate or the maximum rate allowed under statute for the program/agency. These exceptions shall be reported annually, at the January regents' meeting.

   2. State sponsored projects for research, instruction, and other sponsored activity (grants or contracts):
      (a) For grants or contracts for research activity, the F&A rate shall be 25% of the total direct costs.
      (b) For training programs, the F&A rate shall be 8 percent of total direct costs.
      (c) For federal pass-through grants or contracts, the federally negotiated rate for the unit will be applied.
      (d) In instances when the sponsor (funding source) for an agency does not allow F&A or will pay only at a reduced rate, the decision to accept the award will remain with the unit. These exceptions should be reported annually, at the January regents' meeting.

   3. Private, individual, or corporation sponsored projects grants or contracts: shall use the federal F&A recovery rate for the unit.

   4. In special circumstances, the units are authorized to waive/reduce use F&A costs to meet required cost sharing in grants, or contracts, and cooperative agreements.

   5. UM-Missoula and MSU-Bozeman, as representatives of the affiliated campuses, shall submit to the commissioner of higher education a report summarizing:
      (a) All expenditures from sponsored activities (research, instruction, and other sponsored activities) managed by the respective research/business administrative offices as restricted funds via grants, contracts, or cooperative agreements.
      (b) F&A recovery as a subset of total expenditures.
      (c) Total of unrecovered F&A resulting from state agencies unwilling or unable to comply with BOR Policy 404.

History: